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Public Accounts 1985-86

Volume 2

Supplementary Financial Statements

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Saskatchewan



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Public Accounts 1985-86

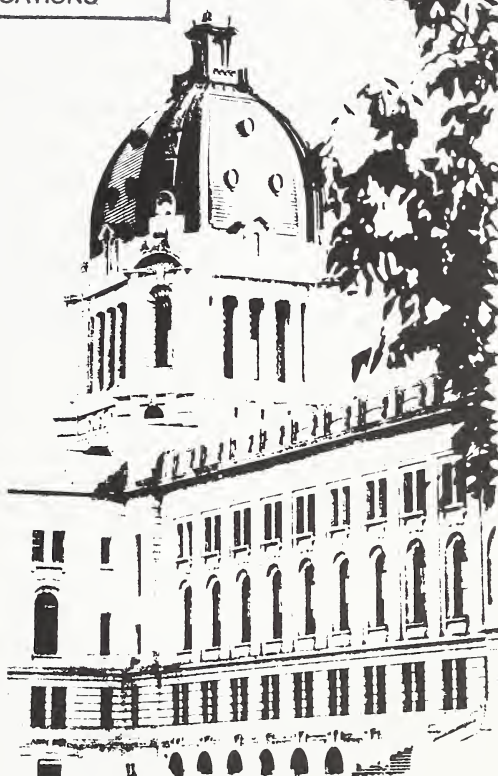
Volume 2

Supplementary Financial Statements

UNIVERSITY OF ALBERTA

JUL 24 1987

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Saskatchewan

Scope of the Public Accounts

The Public Accounts are organized into three volumes:

Volume 1 — Main Financial Statements

Volume 1 consists of two parts:

Part A — Financial Statements of the Combined Funds

- Financial Statements of the Consolidated Fund

- Financial Statements of the Saskatchewan Heritage Fund

Part B — Additional Information on Debt, Loan, Investment and Deposit Activity

Volume 2 — Supplementary Financial Statements

Summary information of Superannuation, Trust and Special Purpose Funds under the control of the Minister of Finance

Financial statements of Revolving Funds; and

Other financial statements which are not tabled separately in the Legislature.

Volume 3 — Details of Revenue and Expenditure Activity

Summary Revenue and Expenditure Information for the Combined, Consolidated and Saskatchewan Heritage Funds.

Consolidated Fund Revenue and Expenditure Details;

Saskatchewan Heritage Fund Revenue and Expenditure Details; and

Other Information — Statement of Remission of Taxes and Fees.

A Detailed Table of Contents is provided at the beginning of each of the Volumes.



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Supplementary Financial Statements

Preamble

Contained in the first part of this Volume is summary financial information on a variety of funds administered by the Minister of Finance. These include superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements and special purpose monies held for specified use.

Following this summary information are financial statements of revolving funds and other government entities for which the governing legislation does not require that the financial statements of the entities be tabled separately before the Legislative Assembly.

Table of Contents — Volume 2

Page

Summary of Superannuation, Trust, and Special Purpose Funds

Summary of Superannuation, Trust, and Special Purpose Fund Balances	2
Summary of Individual Superannuation, Trust, and Special Purpose Funds	3

Financial Statements of Revolving Funds

Advanced Education and Manpower

Kelsey Institute of Applied Arts and Sciences Revolving Fund	10
Saskatchewan Technical Institute Revolving Fund	14
Wascana Institute of Applied Arts and Sciences Revolving Fund	17

Agriculture

Agricultural Supplies Revolving Fund	20
Conservation and Development Revolving Fund	24

Education

Saskatchewan Book Bureau Revolving Fund	28
---	----

Highways and Transportation

Highways Revolving Fund	32
-------------------------	----

Parks and Renewable Resources

Commercial Revolving Fund	39
Resource Protection and Development Revolving Fund	44

Supply and Services

Central Vehicle Agency Revolving Fund	48
Office Services Revolving Fund	54
Supply Agency Revolving Fund	58
Systems Centre Revolving Fund	63

Tourism and Small Business

Northern Saskatchewan Economic Development Revolving Fund	67
---	----

Urban Affairs

Northern Construction Revolving Fund	72
--------------------------------------	----

Other Financial Statements

Page

Advanced Education and Manpower

Carlton Trail Community College	78
Coteau Range Community College	82
Cumberland Community College	87
Cypress Hills Community College	92
La Ronge Region Community College	96
Mistikwa Community College	100
North East Community College	107
Parkland Community College	112
Prairie West Community College	119
Prince Albert Regional Community College	123
Regina Plains Community College	128
Saskatchewan Indian Community College	134
Saskatoon Region Community College	149
South East Region Community College	155
Westside Community College	161

Agriculture

Cattle Marketing Deductions Fund	168
Horned Cattle Fund	170

Justice

Assurance Fund	173
----------------	-----

Revenue and Financial Services

Public Employees Dental Fund	175
------------------------------	-----

Social Services

Social Services Central Trust Account	177
Social Services General Trust Account	181

Crop Reinsurance Fund of Saskatchewan	184
--	-----

Farm Purchase Program Fund	186
-----------------------------------	-----

Municipal Potash Tax Sharing Administration Board	188
--	-----

*Northern Revenue Sharing Trust Fund	192
---	-----

Saskatchewan Archives Board	230
------------------------------------	-----

Saskatchewan Research Council Employees Pension Fund	233
---	-----

Saskatchewan Sheep and Wool Marketing Commission	235
---	-----

Saskatchewan Vegetable Marketing Commission	237
--	-----

South Saskatchewan River Irrigation District No. 1	239
---	-----

Special Projects Fund	243
------------------------------	-----

The Workmen's Compensation Board Superannuation Fund	244
---	-----

**The Municipal Employees Superannuation Fund	248
--	-----

Note: The following financial statements are not included in the 1985-86 Public Accounts as they were not finalized at the time of printing:

Public Employees Group Life Insurance Fund, December 31, 1985

Public Employees Disability Income Fund, December 31, 1985

The Municipal Employees Superannuation Fund, December 31, 1985

*Includes Financial Statements for the years ended December 31, 1983 and December 31, 1984 which were not published in Public Accounts of prior years.

**Financial Statements for the year ended December 31, 1984 which were not finalized at the time of printing the 1984-85 Public Accounts.

*Summary of Superannuation,
Trust, and Special
Purpose Funds*

Summary of Superannuation, Trust, and Special Purpose Fund Balances

March 31, 1986

(\$ Thousands)

Assets	1986	1985
Cash	\$ 18,959,821	\$ 6,691,783
Investments	1,122,537,281	979,210,469
Accounts Receivable	37,743,161	34,213,728
Other Assets	20,456,336	20,733,119
Total Assets	\$ 1,199,696,599	\$ 1,040,849,099

Liabilities and Fund Balances

Liabilities	\$ 91,836,455	\$ 140,303,827
Superannuation Funds Held in Trust	1,056,866,206	839,764,348
Other Trust Funds	100,073,092	82,990,668
Other Special Purpose Funds	(49,079,154)	(22,209,744)
Total Liabilities and Fund Balances	\$ 1,199,696,599	\$ 1,040,849,099

(See accompanying notes)

Summary of Individual Superannuation, Trust and Special Purpose Funds

At March 31, 1986

	Cash in Bank	Investments	Accounts Receivable	Other Assets	Total Assets	Liabilities	Fund Balance
Superannuation Funds							
Education							
Teachers' Annuity Fund (2)	(4,674,267) \$	40,641,240 \$	979,681 \$	553,387 \$	37,500,041 \$	—	\$ 37,500,041
Teachers' Superannuation Fund (2)	(679,375)	535,671,107	7,152,354	8,281,488	550,425,574	—	550,425,574
Teachers' Supplementary Allowance Fund (2)	(31,915)	3,641,384	94,075	21,159	3,724,703	—	3,724,703
Teachers' Voluntary Contributions Fund	4,507	949,445	—	—	953,952	—	953,952
Public Employees Benefits Agency							
Anti-Tuberculosis League Employees Superannuation Fund (2)	3,932	5,288,872	179,342	—	5,472,146	152	5,471,994
Judges of the Provincial Court Superannuation Fund (2)	18,860	1,537,812	51,457	—	1,608,129	3,082	1,605,047
Liquor Board Superannuation Fund (2)(3)	(27,735)	9,596,056	386,674	—	9,954,995	1,876	9,953,119
Members of the Legislative Assembly Superannuation Fund (2)	—	2,737,339	249,374	—	2,986,713	—	2,986,713
Public Employees (Government Contributory) Superannuation Fund (2)	—	263,220,046	7,802,040	—	271,022,086	942,771	270,079,315
Saskatchewan Transportation Company Employees Superannuation Fund (2) ..	77,187	13,415,828	408,217	—	13,901,232	—	13,901,232
Workmen's Compensation Board Superannuation Fund (2)(3)	7,082	7,924,515	196,047	—	8,127,644	1,800	8,125,844
Rural Affairs							
Municipal Employees Superannuation Fund (1)(3)	425,774	146,757,516	5,207,411	—	152,390,701	252,029	152,138,672
	\$ (4,875,950)	\$ 1,031,381,160	\$ 22,706,672	\$ 8,856,034	\$ 1,058,067,916	\$ 1,201,710	\$ 1,056,866,206
Trust Funds							
Agriculture							
Cattle Marketing Deductions Fund (1) ...	13,966 \$	446,391 \$	—	—	460,357 \$	89 \$	460,268
Horned Cattle Trust Fund (1)	37,447	138,558	—	398,460	574,465	—	574,465
Saskatchewan Beef Stabilization Board Producer Trust Fund (2)	2,277,161	—	1,212,855	—	3,490,016	3,490,016	—
Consumer and Commercial Affairs							
Provincial Mediation Board	181,668	—	—	—	181,668	—	181,668
Education							
School for the Deaf — Miscellaneous Trust Fund	5,814	9,504	—	—	15,318	—	15,318
School for the Deaf — Student Trust Fund	11,390	—	—	—	11,390	—	11,390
Special School Trust Fund	39,411	—	—	—	39,411	—	39,411
Finance							
Province of Saskatchewan Trust	363,631	—	—	—	363,631	—	363,631

Trust Funds — (Concluded)							Fund Balance
	Cash in Bank	Investments	Accounts Receivable	Other Assets	Total Assets	Liabilities	
Health							
Lakeside Home Residents' Trust							
Account, Wolseley	59,847	80,000	—	—	139,847	35,215	104,632
The Psychiatric Centre, Weyburn:							
Grants and Donations Trust Fund	1,648	—	—	—	1,648	—	1,648
Patients Trust Account	1,281	—	—	—	1,281	300	981
The Saskatchewan Hospital, North Battleford:							
Patients Trust Account	11,096	9,959	—	—	21,055	—	21,055
Grants and Donations	6,802	—	—	—	6,802	—	6,802
Justice							
Chief Surveyor's Land Titles Trust							
Account	9,242	—	503	—	9,745	—	9,745
Danielson Park Inmates Trust	552	—	3,303	—	3,855	—	3,855
Judicial Centre Operations Accounts	272,020	—	741	—	272,761	—	272,761
Land Registrar's Trust Fund	(198,295)	—	651,564	—	453,269	—	453,269
Surface Rights Arbitration Board Trust							
Account	114,742	—	—	—	114,742	—	114,742
Local Registrar's Operations Account ...	187,245	—	288	—	187,533	—	187,533
Meadow Lake Camp							
Inmates Trust Account	2,775	—	3,404	—	6,179	—	6,179
North Battleford Community Training Residence							
Joint Trust Account	14,694	4,758	589	—	20,041	—	20,041
North Battleford Correctional Centre:							
Inmates Trust Account	2,235	—	2,110	—	4,345	2,027	2,318
Warden's Trust Account	5,614	—	2,858	—	8,472	2,388	6,084
Northern Corrections Branch, Besnard Lake							
Inmates Trust Account	7,022	—	5,482	—	12,504	4,990	7,514
Northern Corrections Branch, Buffalo Narrows							
Inmates Trust Account	1,629	—	1,563	—	3,192	1,311	1,881
Pine Grove Correctional Centre, Prince Albert							
Inmates Trust Account	3,646	—	—	—	3,646	—	3,646
Superintendent's Trust Account	11,210	—	2,919	—	14,129	129	14,000
Prince Albert Community Training Residence							
Joint Trust Account	13,507	—	1,244	—	14,751	—	14,751
Province of Saskatchewan Court Accounts	5,307,798	2,206,739	—	—	7,514,537	—	7,514,537
Provincial Correctional Centre, Prince Albert:							
Inmates Trust Account	21,400	—	15,456	—	36,856	—	36,856
Superintendent's Trust Account	2,961	—	—	—	2,961	—	2,961
Provincial Correctional Centre, Regina:							
Inmates Trust Account	26,837	—	30,086	—	56,923	—	56,923
Warden's Trust Account	1,903	—	—	—	1,903	—	1,903

	Cash in Bank	Investments	Accounts Receivable	Other Assets	Total Assets	Liabilities	Fund Balance
Special Purpose Funds							
Advanced Education and Manpower							
Student Aid Fund (2)	100,370 \$	4,165,419 \$	3,222,691 \$	— \$	7,488,480 \$	— \$	7,488,480
Agriculture							
Agricultural Implements Compensation Fund (2)	9,053	53,861	—	698	63,612	1,142	62,470
Land Clearing Account	1,286,047	—	—	—	1,286,047	—	1,286,047
Saskatchewan Agricultural Research Fund (2)	9,492	3,570,485	126,297	—	3,706,274	442,853	3,263,421
Saskatchewan Beef Stabilization Board (2)	439,781	—	113,772	395,175	948,728	74,948	873,780
Saskatchewan Agricultural Returns Stabilization Fund:							
Cow-Calf-to-Finish Market Insurance Plan	169,906	—	2,425,905	—	2,595,811	46,538,516	(43,942,705)
Feeder Finish Market Insurance Plan ..	38,652	—	949,050	—	987,702	6,436,597	(5,448,895)
Saskatchewan Pork Producers Marketing Board (2)	10,994	1,798,921	1,207,567	—	3,017,482	27,492,156	(24,474,674)
Saskatchewan Sheep and Wool Marketing Commission (1)(3)	10,571	25,000	382	15,773	51,726	2,494	49,232
Saskatchewan Vegetable Marketing Commission	9,175	—	—	2,784	11,959	1,930	10,039
Alcoholism Commission							
Contingency Fund (2)	900	64,407	—	—	65,307	—	65,307
General Fund (2)	385,014	99,045	7,705	350,264	842,028	347,354	494,674
Energy and Mines							
Suspense Account	10,907	2,245,493	29,522	(18,471)	2,267,451	—	2,267,451
Farm Purchase Program Fund (1)	91,165	—	—	—	91,165	—	91,165
Health							
The Psychiatric Centre, Weyburn Bazaar Account	43,258	258,069	300	18,326	319,953	37	319,916
The Saskatchewan Hospital, North Battleford:							
Bazaar Account	25,393	109,545	12,086	97,456	244,480	246	244,234
Canteen Account	24,200	24,896	—	10,508	59,604	3	59,601
Justice							
Land Titles Assurance Fund (1)	2,719	72,281	—	—	75,000	—	75,000
North Battleford Correctional Centre Handicraft Account	3,102	—	167	—	3,269	—	3,269
Northern Corrections Branch, La Ronge Special Account	13,698	—	—	—	13,698	—	13,698
Pine Grove Correctional Centre, Prince Albert Handicraft Account	179	—	9,431	—	9,610	1,514	8,096
Provincial Correctional Centre, Prince Albert Handicraft Account	15,481	—	3,362	25,691	44,534	3,092	41,442

	(739)	—	17,700	53,801	70,762	4,601	66,161
Provincial Correctional Centre, Regina							
Handicraft Account							
Provincial Correctional Centre,							
Saskatoon:							
Handicraft Account	124	—	8,648	4,391	13,163	2,987	10,176
Public Trustee Fees Account	8,032	—	—	—	8,032	—	8,032
The Market Development Fund (2)	—	—	269,420	—	269,420	—	269,420
Parks and Renewable Resources							
Wildlife Development Fund (2)	175,501	968,477	62,229	4,152,753	5,358,960	85,534	5,273,426
Saskatchewan Hospitalization							
Fund (2)	1,249,575	—	—	—	1,249,575	—	1,249,575
Saskatchewan Medical Care Insurance							
Fund (2)	53,794	—	—	—	53,794	—	53,794
Social Services							
North Park Centre, Prince Albert:							
Bazaar Account	1,489	20,000	—	12,751	34,240	6	34,234
Canteen Account	1,061	—	—	9,122	10,183	2	10,181
Collections Account	47,445	—	—	—	47,445	47,445	—
Valley View Centre, Moose Jaw:							
Bazaar Account	23,552	—	125	10,864	34,541	37	34,504
Canteen Account	22,405	14,000	129	10,323	46,857	12,795	34,062
Special Projects Fund	—	—	1,026,243	—	1,026,243	—	1,026,243
\$	4,282,296	\$ 13,489,899	\$ 9,492,731	\$ 5,152,209	\$ 32,417,135	\$ 81,496,289	\$ (49,079,154)
Total Superannuation, Trust and Special Purpose Funds	\$ 18,959,821	\$ 1,122,537,281	\$ 37,743,161	\$ 20,456,336	\$ 1,199,636,599	\$ 91,836,455	\$ 1,107,860,144

(1) Financial Statements are included in this Volume of the Public Accounts

(2) Report Tabled in Legislature

(3) At December 31, 1985



Financial Statements of Revolving Funds

Kelsey Institute of Applied Arts and Sciences Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Kelsey Institute of Applied Arts and Sciences Revolving Fund as at March 31, 1986 and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and its financing activities for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
July 11, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at March 31

Statement 1

	1986	1985
Assets		
Current:		
Cash	\$ 1,000	\$ 1,000
Accounts receivable	21,384	17,808
Inventories (Note 2)	403,892	385,932
	<u>\$ 426,276</u>	<u>\$ 404,740</u>
Liabilities and Fund Equity		
Current Liabilities:		
Accounts payable and other	\$ 36,745	\$ 6,644
Fund Equity:		
Accumulated net expenditure (Statement 3)	253,560	223,030
Accumulated operating surplus (Statement 2)	135,971	175,066
	<u>389,531</u>	<u>398,096</u>
	<u>\$ 426,276</u>	<u>\$ 404,740</u>

(See accompanying notes to the financial statements)

Kelsey Institute of Applied Arts and Sciences Revolving Fund

Statement of Operations and Accumulated Operating Surplus

Year Ended March 31

Statement 2

	1986					1985	
	Barbering	Cosmetology	Dental Assistants	Bookstore	Cafeteria	Shops	Total
Revenue:							
Sales				\$ 912,962	\$ 706,746	\$ 179,021	\$ 1,798,729
Cost of sales				691,916	451,638	177,218	1,320,772
Gross profit				221,046	255,108	1,803	477,957
Other revenue	\$ 10,696	\$ 7,153	1,035	211	—	—	19,095
Training cost recoveries	—	—	—	—	24,172	—	24,172
Allowance for training costs received from Department of Advanced Education and Manpower	—	—	—	—	—	—	—
	10,696	7,153	1,035	221,257	279,280	1,803	521,224
Expenses:							
Wages	—	23,067	—	69,102	270,303	23,551	386,023
Supplies	9,517	3,015	—	—	26,862	2,286	41,680
Obsolete inventory written off	—	—	—	—	—	—	—
Other	4,250	—	—	7,599	15,701	—	27,550
	13,767	26,082	—	76,701	312,866	25,837	455,253
Net income (loss) for year	\$ (3,071)	\$ (18,929)	\$ 1,035	\$ 144,556	\$ (33,586)	\$ (24,034)	\$ 65,971
Accumulated operating surplus, beginning of year							175,066
Accumulated operating surplus paid to Consolidated Fund							(105,066)
Accumulated operating surplus, end of year — to Statement 1							\$ 135,971
							\$ 175,066

(See accompanying notes to the financial statements)

Kelsey Institute of Applied Arts and Sciences Revolving Fund

Statement of Financing Activities and Accumulated Net Expenditure

Statement 3

Year Ended March 31

	1986	1985
Financing requirements of the Revolving Fund:		
Repayment of prior year's net income	\$ 105,066	\$ 6,514
Working capital changes:		
Increase (decrease) in accounts receivable	3,576	(1,169)
Increase (decrease) in inventory	17,960	(15,589)
(Increase) decrease in accounts payable	(30,101)	8,526
	(8,565)	(8,232)
	96,501	(1,718)
Less amount financed by operations:		
Net income	65,971	105,066
Net cash expenditure (recovery)	30,530	(106,784)
Accumulated net expenditure, beginning of year	223,030	329,814
Accumulated net expenditure, end of year — to Statement 1	\$ 253,560	\$ 223,030

(See accompanying notes to the financial statements)

Notes to the Financial Statements

March 31, 1986

1. Accounting Policies

(a) Authority and Definition of Reporting Entity

The authority for this Revolving Fund was originally contained in Section 9 of The Department of Continuing Education Act and is continued under Section 15 of The Department of Advanced Education and Manpower Act. The purpose of the Revolving Fund is to finance and provide a system of accounting for the commercial and semi-commercial activities of the Institute, including barbering and cosmetology, bookstore, cafeteria and shop operations, effective from April 1, 1982.

(b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- Disbursements made within 30 days after the fiscal year-end for liabilities incurred prior to year-end are recorded as paid in the previous year.

(c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

(d) Accumulated Net Expenditure

The accumulated net expenditure of the Revolving Fund includes the following:

- amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances made to the Kelsey Institute of Applied Arts and Sciences Advance Account at that date. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of Revolving Fund activities as budgetary transactions.
- net cash expenditure (recovery) for each fiscal year thereafter.

(e) Authorized Financing

Section 15(8) of The Department of Advanced Education and Manpower Act provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$800,000 was established by Order-in-Council in September, 1985.

(f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 15(4) of The Department of Advanced Education and Manpower Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Kelsey Institute of Applied Arts and Sciences Revolving Fund shall be \$70,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

Kelsey Institute of Applied Arts and Sciences Revolving Fund

Notes to Financial Statements — (Concluded)

1. Accounting Policies — (Concluded)

(g) Fixed Assets

All the fixed assets used in the commercial and semi-commercial activities of the Institute are charged to the appropriation of the Department of Advanced Education and Manpower. No charge for the use of these assets is reflected in the records of the Revolving Fund.

(h) Valuation of Inventories

Inventories for sale and supplies are valued at the lower of cost and net realizable value.

2. Inventories

	1986	1985
Bookstore	\$ 309,384	\$ 299,378
Cafeteria	44,809	45,653
Shops — work in progress	18,888	16,135
— automobiles	12,600	4,190
— parts	2,608	3,393
Prepaid expenses	15,603	17,183
	<u>\$ 403,892</u>	<u>\$ 385,932</u>

Prepaid expenses consist of cosmetology and barbershop supplies used in the course of providing these services as well as kitchen supplies used in the course of producing prepared foods.

3. Related Party Transactions

In accordance with the Department's interpretation of the Act and regulations, the Revolving Fund has been charged with the wages of all non-instructional employees directly engaged in the resale activities of the Institute. The Revolving Fund, however, has not been charged with any occupancy costs or for general administrative and employee benefit costs. These costs are borne directly, in accordance with established government practice, by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

Saskatchewan Technical Institute Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Technical Institute Revolving Fund as at March 31, 1986 and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and its financing activities for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 5, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at March 31

Statement 1

	1986	1985
Assets		
Current:		
Cash on hand	\$ 300	\$ 300
Accounts receivable	4,204	23,741
Inventories (Note 3)	183,629	187,745
Prepaid expenses (Note 4)	7,144	6,177
	<u>\$ 195,277</u>	<u>\$ 217,963</u>
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	\$ 2,390	\$ 1,395
Fund equity:		
Accumulated net expenditure (Statement 3)	67,667	76,340
Accumulated operating surplus (Statement 2)	125,220	140,228
	<u>192,887</u>	<u>216,568</u>
	<u>\$ 195,277</u>	<u>\$ 217,963</u>

(See accompanying notes to the financial statements)

Statement of Operations and Accumulated Operating Surplus

Year Ended March 31

Statement 2

	1986				1985
	Bookstore	Cafeteria	Shops	Total	Total
Sales	\$ 552,881	\$ 331,011	\$ 109,366	\$ 993,258	\$ 1,092,211
Cost of goods sold	432,752	175,064	95,626	703,442	779,255
Gross profit	120,129	155,947	13,740	289,816	312,956
Operating Costs:					
Wages	23,996	138,593	22,878	185,467	193,454
Laundry .....	.....	7,414	.....	7,414	5,823
Paper and cleaning supplies .....	.....	11,620	.....	11,620	13,477
Other (recoveries)	125	10	(40)	95	(26)
	<u>24,121</u>	<u>157,637</u>	<u>22,838</u>	<u>204,596</u>	<u>212,728</u>
Net income for the year ..	<u>\$ 96,008</u>	<u>\$ (1,690)</u>	<u>\$ (9,098)</u>	<u>85,220</u>	<u>100,228</u>
Accumulated operating surplus, beginning of year				140,228	155,928
Accumulated operating surplus paid to the Consolidated Fund				(100,228)	(115,928)
Accumulated operating surplus, end of year — to Statement 1	<u>\$ 125,220</u>			<u>\$ 125,220</u>	<u>\$ 140,228</u>

(See accompanying notes to the financial statements)

Saskatchewan Technical Institute Revolving Fund

Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

Statement 3

	1986	1985
Financing Requirements of the Revolving Fund:		
Accumulated operating surplus paid to the Consolidated Fund	\$ 100,228	\$ 115,928
Working capital changes:		
Increase (decrease) in accounts receivable	(19,537)	9,929
Increase (decrease) in inventory	(4,116)	(20,799)
Increase (decrease) in prepaid expenses	967	1,144
(Increase) decrease in accounts payable and accrued liabilities	(995)	3,731
	(23,681)	(5,995)
	76,547	109,933
Less amount financed by operations:		
Net income	85,220	100,228
Net cash expenditure (recovery)	(8,673)	9,705
Accumulated net expenditure, beginning of year	76,340	66,635
Accumulated net expenditure, end of year — to Statement 1	\$ 67,667	\$ 76,340

(See accompanying notes to the financial statements)

Notes to the Financial Statements

March 31, 1986

1. Accounting Policies

(a) Authority and Definition of Accounting Entity

The authority for this Revolving Fund was originally contained in Section 9.2(2) of The Department of Continuing Education Act and is continued under Section 16 of The Department of Advanced Education and Manpower Act. The purpose of the Revolving Fund is to finance and provide a system of accounting for the commercial and semi-commercial activities of the Institute, including bookstore, cafeteria and shop operations, effective from April 1, 1982.

(b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Revenues received in the month of April which apply to the preceding fiscal year are recorded as received in the preceding fiscal year.
- ii) Disbursements made in the month of April which are for goods and services received in the preceding fiscal year are recorded as paid in the preceding fiscal year.

(c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

(d) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances made to the Saskatchewan Technical Institute Advance Account at that date. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of Revolving Fund activities as budgetary transactions.
- ii) Net cash expenditure (recovery) for each fiscal year thereafter.

(e) Authorized Financing

Section 16(8) of The Department of Advanced Education and Manpower Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$450,000 was established by Order-in-Council in June, 1983.

(f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 16(4) of The Department of Advanced Education and Manpower Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Saskatchewan Technical Institute Revolving Fund shall be \$40,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

Saskatchewan Technical Institute Revolving Fund

Notes to Financial Statements — (Concluded)

1. Accounting Policies — (Concluded)

(g) Valuation of Inventories

Inventories for sale and supplies are valued at the lower of cost and net realizable value.

2. Related Party Transactions

In accordance with the Department's interpretation of the Act and regulations, the Revolving Fund has been charged with the wages of all non-instructional employees directly engaged in the resale activities of the Institute. The Revolving Fund, however, has not been charged with any occupancy costs or for general administrative and employee benefit costs. These costs are borne directly, in accordance with established government practice, by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

All fixed assets used in the commercial and semi-commercial activities of the Institute are charged to the appropriation of the Department of Advanced Education and Manpower. No charge for the use of these assets is provided for in the records of the Revolving Fund.

3. Inventories

	1986	1985
Bookstore	\$ 131,491	\$ 124,600
Cafeteria	18,930	17,405
Shop stores — parts	9,317	9,352
— work in progress	1,916	16,063
— automobiles	21,975	20,325
	<u>\$ 183,629</u>	<u>\$ 187,745</u>

The automobiles are used as materials in the teaching of motor mechanics and auto body repairs.

4. Prepaid Expenses

Prepaid expenses consist of kitchen, cleaning and paper supplies which are expended in the course of producing prepared foods.

Wascana Institute of Applied Arts and Sciences Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Wascana Institute of Applied Arts and Sciences Revolving Fund as at March 31, 1986 and the statement of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
July 4, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As At March 31

Statement 1

	1986	1985
Assets		
Current:		
Cash	\$ 550	\$ 550
Accounts receivable	37,786	37,051
Inventories (Notes 1 (h) and 3)	250,828	186,426
	<u>\$ 289,164</u>	<u>\$ 224,027</u>
Liabilities and Fund Equity		
Current Liabilities:		
Accounts payable	\$ 917	\$ 26
Fund Equity:		
Accumulated net expenditure (Statement 3)	247,908	135,895
Accumulated operating surplus (Statement 2)	40,339	88,106
Total Equity	<u>288,247</u>	<u>224,001</u>
	<u>\$ 289,164</u>	<u>\$ 224,027</u>

(See accompanying notes to the financial statements)

Statement of Operations and Accumulated Operating Surplus

Year Ended March 31

Statement 2

	1986			1985
	Bookstore	Other Sales	Total	
Sales	\$ 521,902	\$ 54,703	\$ 576,605	\$ 565,936
Cost of goods	453,107	48,269	501,376	458,276
Gross profit	68,795	6,434	75,229	107,660
Other revenue	231	—	231	144
	<u>69,026</u>	<u>6,434</u>	<u>75,460</u>	<u>107,804</u>
Administrative expenses:				
Wages	53,647	—	53,647	39,122
Other	1,474	—	1,474	576
	<u>55,121</u>	<u>—</u>	<u>55,121</u>	<u>39,698</u>
Net income for year	<u>\$ 13,905</u>	<u>\$ 6,434</u>	<u>20,339</u>	<u>68,106</u>
Accumulated operating surplus, beginning of year (Note 1 (f))			88,106	81,891
Accumulated operating surplus paid to Consolidated Fund			(68,106)	(61,891)
Accumulated operating surplus, end of year — to Statement 1	<u>\$ 40,339</u>	<u>\$ 88,106</u>		

(See accompanying notes to the financial statements)

Wascana Institute of Applied Arts and Sciences Revolving Fund

Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

Statement 3

	1986	1985
Financing requirements of the Revolving Fund:		
Repayment of prior year's net income of Revolving Fund	\$ 68,106	\$ 61,891
Working capital changes:		
Increase in cash	—	200
Increase in accounts receivable	735	4,792
Increase in inventories	64,402	67,387
(Increase) decrease in accounts payable	(891)	3,546
	64,246	75,925
	132,352	137,816
Less amount financed by operations:		
Net income	20,339	68,106
Net cash expenditure (recovery)	112,013	69,710
Accumulated net expenditure, beginning of year (Note 1 (d))	135,895	66,185
Accumulated net expenditure, end of year — to Statement 1	\$ 247,908	\$ 135,895

(See accompanying notes to the financial statements)

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

(a) Authority and Definition of Reporting Entity

The authority for this Revolving Fund was originally contained in Section 9 of The Department of Continuing Education Act and is continued under Section 17 of The Department of Advanced Education and Manpower Act. The purpose of the Revolving Fund is to finance and provide a system of accounting for the commercial and semi-commercial activities of the Institute, including bookstore and shop operations.

(b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- (i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- (ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to the year-end are recorded as paid in the previous year.

(c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

(d) Accumulated Net Expenditure

The accumulated net expenditure of the fund includes the following:

- (i) amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- (ii) net cash expenditure (recovery) for each fiscal year thereafter.

(e) Authorized Financing

Section 17(8) of The Department of Advanced Education and Manpower Act provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. A maximum amount of \$450,000 was established by Order-in-Council in September, 1985.

(f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 17(4) of The Department of Advanced Education and Manpower Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Wascana Institute of Applied Arts and Sciences Revolving Fund shall be \$20,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

Wascana Institute of Applied Arts and Sciences Revolving Fund

Notes to Financial Statements — (Concluded)

1. Accounting Policies — (Concluded)

(g) Fixed Assets

All the fixed assets used in the commercial and semi-commercial activities of the Institute are charged to the appropriation of Department of Advanced Education and Manpower. No charge for the use of these assets is provided for in the records of the Revolving Fund.

(h) Valuation of Inventories

Inventories for sale and supplies are valued at the lower of cost and net realizable value.

2. Costs Borne by Other Agencies

In accordance with established government practice, the Revolving Fund has not been charged with certain costs including occupancy, financing, general administrative and printing services costs. These costs have been absorbed by various departmental appropriations and therefore no provisions for such costs is reflected in these financial statements.

3. Inventories

	1986	1985
Wascana Bookstore — Parkway	\$ 74,916	\$ 78,735
Business Extension — Albert South	62,977	43,324
Dental Division — St. John	9,327	9,749
Agricultural Division — Maxwell	20,161	17,770
Industrial Division — Winnipeg North	83,447	36,848
	<u>\$ 250,828</u>	<u>\$ 186,426</u>

Agricultural Supplies Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of Agricultural Supplies Revolving Fund as at March 31, 1986 and the statements of operations and accumulated operating deficit and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
May 12, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As At March 31

Statement 1

	1986	1985
Fund Assets		
Current:		
Accounts receivable	\$ 13,710	\$ 9,695
Inventories (Note 3) .....	.....	167,879
Total current assets	13,710	177,574
Fixed assets (Note 4)	1,373	2,038
	<u>\$ 15,083</u>	<u>\$ 179,612</u>
Fund Equity		
Accumulated net expenditure (Statement 3)	\$ 25,644	\$ 615,359
Accumulated operating deficit (Statement 2)	(10,561)	(435,747)
	<u>15,083</u>	<u>179,612</u>
	<u>\$ 15,083</u>	<u>\$ 179,612</u>

(See accompanying notes to the financial statements)

Agricultural Supplies Revolving Fund

Statement of Operations and Accumulated Operating Deficit Year Ended March 31

Statement 2

	1986	1985
Sales	\$ 246,744	\$ 509,116
Cost of sales	167,879	470,843
Gross profit	78,865	38,273
Miscellaneous Revenue (Note 5)	13,065	.....
	91,930	38,273
Expenses:		
Allowance for inventory obsolescence .....	.....	10,492
Bad debt expense	3,642	4,942
Equipment rental	8,165	6,263
Salaries	541	3,339
Depreciation of equipment	665	916
Miscellaneous	1,346	453
	14,359	26,405
Net profit	\$ 77,571	\$ 11,868
Accumulated operating deficit, beginning of year	(435,747)	(447,615)
Accumulated operating deficit recovered from Consolidated Fund	347,615	.....
Accumulated operating deficit, end of year — to Statement 1	\$ (10,561)	\$ (435,747)

(See accompanying notes to the financial statements)

Statement of Financing Activities and Accumulated Net Expenditures Year Ended March 31

Statement 3

	1986	1985
Financing Requirements:		
Partial recovery of prior years net losses	\$ (347,615)	\$
Working capital changes		
Increase (decrease) in accounts receivable	4,015	(8,967)
Decrease in contract receivable .....	.....	(216,180)
Decrease in inventories	(167,879)	(481,334)
Decrease (increase) in accounts payable .....	.....	518
	(163,864)	(705,963)
Total financing requirement	\$ (511,479)	\$ (705,963)
Add: Funds (provided by) operations:		
(Profit) from operations	\$ (77,571)	\$ (11,868)
Items not involving outflow of funds:		
Depreciation of equipment	(665)	(916)
Total funds (provided by) operations	\$ (78,236)	\$ (12,784)
Net cash (recovery)	\$ (589,715)	\$ (718,747)
Accumulated net expenditure, beginning of year	615,359	1,334,106
Accumulated net expenditure, end of year (Statement 1)	\$ 25,644	\$ 615,359

(See accompanying notes to the financial statements)

Agricultural Supplies Revolving Fund

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

a) Authority and Definition of Entity

The authority for this revolving fund is contained in Section 14 of The Department of Agriculture Act. The purpose of the revolving fund is to purchase agricultural supplies for distribution or re-sale to farmers, rural municipalities or other organizations for use in agricultural operations.

b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to the year-end are recorded as paid in the previous year.

c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and financing of (provided by) operating deficits (surpluses) of the revolving fund.

d) Accumulated Net Expenditure

The accumulated net expenditure of the fund includes the following:

- i) amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) net cash expenditure (recovery) for each fiscal year thereafter.

e) Authorized Financing

Section 14(11) of The Department of Agriculture Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$4,000,000 was established by Order-in-Council in May, 1983.

f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 14(5) of The Department of Agriculture Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the revolving fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Agricultural Supplies Revolving Fund shall be \$100,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

g) Inventories

Inventories are valued at the lower of cost and net realizable value. In arriving at the cost valuation of chemical inventories the "average cost" method is used. In addition, the revolving fund has adopted the policy of providing an allowance for the deterioration of the chemicals used in the control of grasshoppers. This chemical deteriorates over a period of time and must be reformulated prior to being sold. This reformulation results in a loss of quantity available for sale plus costs for labour and materials. To provide for this deterioration an allowance of 5% of the cost of the chemical is made annually, commencing one year after it has been acquired.

h) Depreciation

Depreciation on equipment is calculated at the rate of 10% per annum on the straight line basis.

2. Costs Borne by Other Agencies

In accordance with established government policy, the revolving fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

Agricultural Supplies Revolving Fund**Notes to Financial Statements — (Concluded)****3. Inventory**

All usable inventory of chemicals was sold during the 1985-86 fiscal year and the remaining 8550 gallons of Endrin has been valued at zero.

4. Fixed Assets

	<u>1986</u>			<u>1985</u>
	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	<i>Net Book Value</i>
Equipment	\$ 9,165	\$ 7,792	\$ 1,373	\$ 2,038

5. Miscellaneous Revenue

This includes accounts receivable totalling \$13,000 collected during the year which had previously been written off.

Conservation and Development Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Conservation and Development Revolving Fund as at March 31, 1986 and the statements of operation and accumulated operating surplus (deficit), financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

My opinion on the 1985 financial statements was qualified because of an inappropriate accounting treatment for the transfer of assets between Crown agencies which resulted in the extraordinary loss, net loss for the year, accumulated operating deficit and accumulated net expenditure being overstated by \$982,262.

Regina, Saskatchewan,
August 20, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As At March 31

Statement 1

	1986	1985
Assets		
Current:		
Accounts receivable	\$ —	\$ 8,051
Inventories		
— Livestock	2,483,772	1,857,905
— Feeds, fuel and other	311,758	259,548
Prepaid license and insurance	2,648	3,146
Investments — cost	5,000	5,000
	<u>2,803,178</u>	<u>2,133,650</u>
Fixed assets (Note 3)	1,372,824	1,257,588
	<u>\$ 4,176,002</u>	<u>\$ 3,391,238</u>
Liabilities and Fund Equity		
Current:		
Accounts payable	\$ 9,190	\$ 8,352
Fund Equity:		
Accumulated net expenditure (Statement 3)	4,412,589	6,014,565
Accumulated operating surplus (deficit) (Statement 2)	(245,777)	(2,631,679)
	<u>4,166,812</u>	<u>3,382,886</u>
	<u>\$ 4,176,002</u>	<u>\$ 3,391,238</u>

(See accompanying notes to the financial statements)

Conservation and Development Revolving Fund

Statement of Operations and Accumulated Operating Surplus (Deficit)

Year Ended March 31

Statement 2

	1986	1985
Revenue	\$ 665,520	\$ 1,373,094
Expenses:		
Operating (Schedule 1)	1,840,831	2,603,632
Office salaries and administration	89,232	208,762
	<u>1,930,063</u>	<u>2,812,394</u>
Net (loss) before extraordinary items	(1,264,543)	(1,439,300)
Extraordinary Loss	—	(1,041,934)
Net (loss) (Statement 3)	(1,264,543)	(2,481,234)
Accumulated operating surplus (deficit) beginning of year	(2,631,679)	(150,445)
Accumulated operating deficit recovered from Consolidated Fund	3,650,445	—
Accumulated operating surplus (deficit) end of year (Statement 1)	<u>\$ (245,777)</u>	<u>\$ (2,631,679)</u>

(See accompanying notes to the financial statements)

Statement of Financing Activities and Accumulated Net Expenditure

Year Ended March 31

Statement 3

	1986	1985
Financing requirements of the Revolving Fund:		
Accumulated operating deficit recovered from Consolidated Fund	\$ (3,650,445)	\$ —
Net capital acquisitions:		
Purchase of fixed assets	\$ 350,745	\$ 595,388
Proceeds from sale of fixed assets	(98,938)	(18,436)
	<u>251,807</u>	<u>576,952</u>
Working capital requirements		
Increase (decrease) in accounts receivable	(8,051)	(122,995)
Increase (decrease) in work in progress	—	(2,775)
Increase (decrease) in inventory	678,077	335,947
Increase (decrease) in prepaid expenses	(497)	(2,742)
(Increase) decrease in accounts payable	(838)	29,793
	<u>668,691</u>	<u>237,228</u>
Total financing requirements	<u>(2,729,947)</u>	<u>814,180</u>
Less financed by (used in) operations:		
Net (loss) (Statement 2)	(1,264,543)	(2,481,234)
Items not affecting working capital		
— depreciation	203,636	199,170
— gain on disposal of fixed assets	(67,064)	(13,833)
— extraordinary loss on fixed assets	—	982,262
	<u>(1,127,971)</u>	<u>(1,313,635)</u>
Net cash expenditure (recovery)	(1,601,976)	2,127,815
Balance arising from transfer of assets (to)/from other Revolving Funds at no cost during the year	—	63,750
	<u>(1,601,976)</u>	<u>2,191,565</u>
Accumulated net expenditure, beginning of year	6,014,565	3,823,000
Accumulated net expenditure, end of year (Statement 1)	<u>\$ 4,412,589</u>	<u>\$ 6,014,565</u>

(See accompanying notes to the financial statements)

Conservation and Development Revolving Fund

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

a) Authority of Reporting Entity

The authority for this Revolving Fund is contained in Section 16(2) of The Department of Agriculture Act. The purpose of the Revolving Fund is to manage northern farms.

b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

d) Accumulated Net Expenditure

The accumulated net expenditure of the fund includes the following:

- i) amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) net cash expenditure (recovery) for each fiscal year thereafter.

e) Authorized Financing

Section 16(11) of The Department of Agriculture Act, provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. A maximum amount of \$10,000,000 was established by Order-in-Council in December, 1983.

f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 16(5) of The Department of Agriculture Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Conservation and Development Revolving Fund shall be \$100,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

g) Depreciation

Depreciation of fixed assets is calculated on a straight line basis with the current rates being 5% to 15%.

h) Inventory

Inventory is valued at the lower of cost and net realizable value.

2. Related Party Transactions

In accordance with established government practice, the Revolving Fund has not been charged with certain costs including occupancy, financing, general administrative and printing services costs. These costs have been absorbed by various departmental appropriations, therefore no provision for such costs is reflected in these financial statements.

3. Fixed Assets

	1986		1985	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Buildings, machinery and equipment	\$ 2,418,387	\$ 1,045,563	\$ 1,372,824	\$ 1,257,588

Conservation and Development Revolving Fund

Notes to Financial Statements — (Concluded)

4. Comparative Figures

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 1986 financial statements. The 1985 figures included 3 months of non farming activities and a full year of farming activities. The 1986 figures include only farming activities for the full year.

Schedule of Operating Expenses

March 31

Schedule 1

		1986
Purchase of livestock	\$	505,650
Wages and salaries		878,668
Fuel, oil and maintenance		413,247
Fertilizer and feed		223,523
Depreciation		203,636
Other		241,974
Less increase in livestock inventory		(625,867)
	\$	<u>1,840,831</u>

Saskatchewan Book Bureau Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Book Bureau Revolving Fund as at March 31, 1986, and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986, and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 13, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement of Financial Position

As at March 31

Statement 1

	1986	1985
Assets		
Current:		
Petty cash	\$ 2,100	\$ 2,100
Accounts receivable	120,928	59,874
Inventory	1,274,709	974,546
Total current assets	1,397,737	1,036,520
Fixed:		
Office and warehouse equipment (Note 5)	16,631	20,602
	<u>\$ 1,414,368</u>	<u>\$ 1,057,122</u>
Liabilities and Fund Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 8,673	\$ 2,251
Customer deposits and credits	673	534
Total current liabilities	9,346	2,785
Fund Equity:		
Accumulated net expenditure (Statement 3)	1,122,166	742,957
Accumulated operating surplus (Statement 2)	282,856	311,380
	<u>1,405,022</u>	<u>1,054,337</u>
	<u>\$ 1,414,368</u>	<u>\$ 1,057,122</u>

(See accompanying notes)

Saskatchewan Book Bureau Revolving Fund

Statement of Operations and Accumulated Operating Surplus

For the Year Ended March 31

Statement 2

	1986	1985
Revenue:		
Sales	\$ 4,291,387	\$ 4,167,988
Cost of goods sold	3,685,279	3,554,878
Gross profit	606,108	613,110
Restocking charge on returned sales	6,325	4,569
	612,433	617,679
Operating Expenses:		
Salaries	388,930	365,022
Office and warehouse	55,082	58,554
Freight and express out	24,961	23,126
Telephone	4,019	3,669
Depreciation	3,928	3,881
Service and repair equipment	1,690	1,080
Travel	1,154	999
Bad debts	19	3
(Gain) on disposition of fixed assets	(206)	(35)
	479,577	450,299
Net income from operations	132,856	161,380
Accumulated operating surplus, beginning of year	311,380	380,456
Accumulated operating surplus, paid to Consolidated Fund	(161,380)	(230,456)
Accumulated operating surplus, end of year (Statement 1)	\$ 282,856	\$ 311,380

(See accompanying notes)

Statement of Financing Activities and Accumulated Net Expenditure

For the Year Ended March 31

Statement 3

	1986	1985
Financing requirements of the Revolving Fund		
Net capital acquisition:		
Purchase of fixed assets	\$	\$ 4,183
Proceeds from sale of fixed assets	(250)	(35)
	(250)	4,148
Working capital changes:		
Increase (decrease) in accounts receivable	61,055	(50,670)
Increase (decrease) in inventories	300,163	(113,532)
Decrease (increase) in accounts payable and accrued liabilities	(6,561)	(357)
	354,657	(164,559)
Prior year's income transferable to Consolidated Fund	161,380	230,456
	515,787	70,045
Less amount financed by operations:		
Net income	132,856	161,380
Items not requiring an outlay (inflow) of funds:		
— depreciation	3,928	3,881
— (gain) on disposal of fixed assets	(206)	(35)
	136,578	165,226
Net expenditure (recovery)	379,209	(95,181)
Accumulated net expenditure, beginning of year	742,957	838,138
Accumulated net expenditure, end of year (Statement 1)	\$ 1,122,166	\$ 742,957

(See accompanying notes)

Saskatchewan Book Bureau Revolving Fund

Notes to Financial Statements

March 31, 1986

1. Accounting policies:

These financial statements have been prepared in accordance with accounting policies that are considered appropriate for organizations of this type. The significant accounting policies are as follows:

a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the revolving fund.

c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) Net cash expenditure (recovery) for each fiscal year thereafter.

d) Depreciation

Depreciation is provided on office and warehouse equipment on a straight line basis at an annual rate of 10% of acquisition value.

e) Inventory Valuation

A physical inventory of stock on hand was taken at the close of the Book Bureau's fiscal year March 31, 1986, and valued at the lower of average cost and net realizable value.

f) Pricing Policy

The Bureau's sales catalogue of books and educational materials and the retail list prices of the items therein are revised periodically by the management with a view to operating the revolving fund as close to the break even point as possible. For the 1985 and 1986 years, the retail list price of publications was based on invoice cost plus 16.5%.

2. Authority and Definition of Entity

The authority for this revolving fund is contained in Section 12 of The Department of Education Act. The purpose of the Saskatchewan Book Bureau Revolving Fund is to finance and to provide a system of accounting for the purchase, sale and distribution of such school textbooks, workbooks, reference textbooks, related print and non-print materials as authorized by the Department of Education for use in Saskatchewan schools, and to serve as distributor and sales agent for publications and materials of the Department of Education and print materials of the Department of Advanced Education and Manpower.

3. Authorized Financing

Section 12(8) of The Department of Education Act provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. The maximum amount has been set at \$4,000,000.

4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with section 12(4) of The Department of Education Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the revolving fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Book Bureau Revolving Fund shall be \$150,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

5. Office and Warehouse Equipment

	1986			1985	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	
Office equipment	\$ 9,435	\$ 5,602	\$ 3,833	\$ 4,808	
Warehouse equipment	39,227	26,429	12,798	15,794	
	<u>\$ 48,662</u>	<u>\$ 32,031</u>	<u>\$ 16,631</u>	<u>\$ 20,602</u>	

Depreciation provided in the financial statements for the current year amounted to \$3,928 (1985 — \$3,881).

Saskatchewan Book Bureau Revolving Fund

Notes to Financial Statements — (Concluded)

6. Related Party Transactions

In accordance with established government policy the revolving fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

7. Commitments

The revolving fund is committed to the following approximate expenditures:

- (a) Mini-computer lease payments — \$100,000, 1986 to 1989.
- (b) Grade 7, 8 and 9 Social Studies Textbooks — \$1,300,000, 1986 to 1991.

Highways Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Highways Revolving Fund as at March 31, 1986 and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and its financing activities for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
October 7, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at March 31

	Statement 1	
	1986	1985
Assets		
Current:		
Accounts receivable (Note 2)	\$ 1,215,706	\$ 1,037,543
Construction work in progress	865,107	681,826
Inventories (Note 3)	3,793,036	3,669,397
	<u>5,873,849</u>	<u>5,388,766</u>
Fixed:		
Construction, maintenance and other equipment (Note 4)	34,206,162	33,677,539
	<u>\$ 40,080,011</u>	<u>\$ 39,066,305</u>
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	\$ 263,644	\$ 398,092
Unearned revenue	854,523	570,882
	<u>1,118,167</u>	<u>968,974</u>
Fund Equity:		
Accumulated net expenditure (Statement 3)	38,306,459	37,672,665
Accumulated operating surplus (Statement 2)	655,385	424,666
	<u>38,961,844</u>	<u>38,097,331</u>
	<u>\$ 40,080,011</u>	<u>\$ 39,066,305</u>

(See accompanying notes to the financial statements)

Highways Revolving Fund

Statement of Operations and Accumulated Operating Surplus Year Ended March 31

Statement 2

	Stores and Repair Depot (Schedule 1)	Equipment Rental (Schedule 2)	Custom and Other Work	1986 Totals Before Eliminations	Elimination of Inter-Segment Transactions (Note 5)	1986 Total	1985 Total
Revenue:							
Sales or gross revenue	\$ 13,624,713	\$ 20,891,971	\$ 3,400,583	\$ 37,917,267	\$ (9,668,678)	\$ 28,248,589	\$ 29,174,771
Other revenue	54,690	.....	.....	54,690	.....	54,690	69,365
Gain on sale of fixed assets .....	.....	14,137	.....	14,137	.....	14,137	5,947
Total revenue	13,679,403	20,906,108	3,400,583	37,986,094	(9,668,678)	28,317,416	29,250,083
Expenses:							
Cost of sales	13,625,561	.....	2,507,867	16,133,428	(614,355)	15,519,073	15,313,131
Other expenses	3,288,671	17,217,809	19,692	20,526,172	(9,054,323)	11,471,849	12,489,197
Total expenses	16,914,232	17,217,809	2,527,559	36,659,600	(9,668,678)	26,990,922	27,802,328
Segment margin	\$ (3,234,829)	\$ 3,688,299	\$ 873,024	\$ 1,326,494	\$	\$ 1,326,494	\$ 1,447,755
General expenses (Schedule 3)						1,095,775	1,282,940
Net income						230,719	164,815
Accumulated operating surplus, beginning of year						424,666	259,851
Accumulated operating surplus, end of year — to Statement 1						\$ 655,385	\$ 424,666

(See accompanying notes to financial statements)

Highways Revolving Fund

Statement of Financing Activities and Accumulated Net Expenditure

Year Ended March 31

Statement 3

	1986	1985
Financing requirements of the Revolving Fund		
Net capital acquisitions:		
Purchase of fixed assets	\$ 3,848,859	\$ 3,527,253
Proceeds received from sale of fixed assets	(180,060)	(5,222,901)
	<u>3,668,799</u>	<u>(1,695,648)</u>
Working capital changes:		
Increase (decrease) in accounts receivable	178,663	(641,541)
Increase (decrease) in inventories	123,639	(18,280)
Decrease (increase) in accounts payable	134,448	(163,188)
Decrease (increase) in unearned revenue	(283,641)	(570,882)
Increase (decrease) in construction work in progress	183,281	606,284
	<u>336,390</u>	<u>(787,607)</u>
Total financing requirements	<u>4,005,189</u>	<u>(2,483,255)</u>
Less amounts financed by operations:		
Net income (loss)	230,719	164,815
Items not affecting working capital		
— depreciation	3,154,313	3,755,780
— gain on disposal of fixed assets	(14,137)	(5,947)
— write-off of obsolete inventory	.....	41,248
— bad debt expense	500	11,384
	<u>3,371,395</u>	<u>3,967,280</u>
Net cash expenditure (recovery)	633,794	(6,450,535)
Balance arising from assets transferred from (to) other departments during the year (Note 6)	.....	(4,500)
Net expenditure (recovery)	<u>633,794</u>	<u>(6,455,035)</u>
Accumulated net expenditure, beginning of year	37,672,665	44,127,700
Accumulated net expenditure, end of year — to Statement 1	<u>\$ 38,306,459</u>	<u>\$ 37,672,665</u>

(See accompanying notes to the financial statements)

Highways Revolving Fund

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

(a) Authority and Definition of Reporting Entity

The authority for this Revolving Fund was originally contained in Section 21 of The Highways Act and is continued under Section 14 of The Department of Highways and Transportation Act.

The purpose of the Revolving Fund is to provide equipment, materials and labour for certain departmental programs and for public improvement and custom work projects and to permit the equitable distribution of the cost of such services.

(b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- (i) Receipts received in the month of April which apply to sales of the preceding fiscal year are recorded as received in the preceding fiscal year.
- (ii) Disbursements made in the month of April which are for goods and services received in the preceding fiscal year are recorded as paid in the preceding fiscal year.

(c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

(d) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- (i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances made to the Highways Advance Account at that date. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- (ii) Net cash expenditure (recovery) for each fiscal year thereafter.
- (iii) The transfer amount of assets acquired at no charge. Treasury Board policy requires that assets acquired (disposed of) by a Revolving Fund, from (to) another government agency, be recorded at the lower of net book value or fair market value with a corresponding entry to the accumulated net expenditure account.

(e) Authorized Financing

Section 14(10) of The Department of Highways and Transportation Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$80,000,000 was established by Order-in-Council in April 1983.

(f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Subsection 14(4) of The Department of Highways and Transportation Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Highways Revolving Fund shall be \$1,000,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year, be paid to (from) the Consolidated Fund.

(g) Inventories

Inventories are valued at the lower of original cost, as determined on a global moving average basis, and replacement cost.

(h) Construction and Maintenance Equipment

Construction and maintenance equipment, including expenditures which renovate or modify the equipment and result in a corresponding increase in the useful life of the equipment, are recorded at cost or as determined in Note 1(d)(iii).

Highways Revolving Fund

Notes to Financial Statements — (Continued)

1. Accounting Policies — (Concluded)

(i) Depreciation

(i) Construction and Maintenance Equipment

Each category of this equipment is depreciated on a unit of use basis (hours or kms). The depreciation rate per unit of use is calculated to recover the capital cost of that equipment, less residual value, over the life expectancy of the equipment.

(ii) Other Equipment

Salt storage bins are depreciated on a straight-line basis at a rate of 5% per year.

For all other equipment, depreciation is calculated as follows:

- Items costing \$1,000 or more are depreciated on the straight line basis at a rate of 10% per year.
- Items costing less than \$1,000 are depreciated at a flat rate of \$100 per year.

(iii) Central Vehicle Agency Units

Major additions or modifications made to motor vehicle units leased from the Central Vehicle Agency Revolving Fund are treated as capital cost additions. Depreciation is calculated on the capital cost additions for a unit on a straight line basis over the remaining term of the lease for that unit.

(j) Equipment Rental Rates

The rental rates charged by the Revolving Fund for use of its construction and maintenance equipment are calculated to return to the Revolving Fund by way of rentals, sufficient funds to recover the following Revolving Fund costs:

- (i) depreciation provision
- (ii) repair and overhaul costs
- (iii) operating costs of fuel and oil
- (iv) administration costs of the stores and repair depots and Revolving Fund office together with licence registration and insurance fees.

Each of the foregoing components of the rental rate is reviewed annually, revised as required, and approved by the Minister of Highways and Transportation.

(k) Construction Revenue

The Revolving Fund uses the completed contract method to recognize construction revenue on custom and other work whereby revenues are recognized as projects are completed. Amounts received before projects are completed are reflected as unearned revenue.

(l) Construction Work in Progress

Construction work in progress represents the actual cost of work performed on projects that are not completed. These costs will be recorded as expenditures when the corresponding revenues are recognized.

(m) Surcharges

Surcharges levied by the Revolving Fund pursuant to its governing act are required by Treasury Board to be returned to the Consolidated Fund. Accordingly, any such surcharges are recorded as a liability when invoiced.

2. Accounts Receivable

Details of year end accounts receivable are as follows:

	1986	1985
Department of Highways and Transportation	\$ 534,122	\$ 469,293
Public improvement customer service accounts	317,485	241,468
Municipal Bridge construction accounts	240,227	62,413
Accounts transferred from Northern Construction Revolving Fund	8,815	10,794
Other miscellaneous receivables	115,057	253,575
	<u>\$ 1,215,706</u>	<u>\$ 1,037,543</u>

3. Inventories

Details of year end inventory are as follows:

	1986	1985
Equipment repair, maintenance and construction supplies and field petroleum products	\$ 3,763,082	\$ 3,640,227
Shop supplies	29,954	29,170
	<u>\$ 3,793,036</u>	<u>\$ 3,669,397</u>

Highways Revolving Fund

Notes to Financial Statements — (Concluded)

4. Construction, Maintenance and Other Equipment

Details of this equipment are as follows:

	1986			1985
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Equipment in service:				
Construction and maintenance equipment	\$ 71,558,435	\$ 37,563,800	\$ 33,994,635	\$ 33,435,178
Repair shop equipment	1,299,747	1,111,094	188,653	230,079
Office equipment	40,639	17,765	22,874	12,282
Total	<u>\$ 72,898,821</u>	<u>\$ 38,692,659</u>	<u>34,206,162</u>	<u>33,677,539</u>

Depreciation has been provided for in the amount of \$3,154,313 in the current year (1985 — \$3,755,780).

5. Inter-Segment Eliminations

A substantial portion of the sales of the Stores and Repair Depots represents internal charges to the Equipment Rental Operation for the repair of rental equipment. These charges are reflected as direct expenses of the equipment rental operation and have been eliminated in the statement of operations and accumulated operating surplus. Other eliminations have also been made with respect to internal sales of materials and internal rental charges.

6. Assets Transferred To or From the Revolving Fund at No Cost

As the result of a realignment of activities in 1984-85, certain construction equipment was transferred to the Resource Protection and Development Revolving Fund.

7. Related Party Transactions

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing, field service and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore, no provision for such costs is reflected in these financial statements. Where surcharges are assessed to recover such costs, they are accounted for in accordance with the accounting policy described in note 1 (m).

Highways Revolving Fund

Schedule of Stores and Repair Depot Operations

Year Ended March 31

Schedule 1

	1986	1985
Sales:		
Material, repair parts and field fuel	\$ 10,395,617	\$ 10,388,545
Labour	3,229,096	3,155,517
Total Sales	13,624,713	13,544,062
Cost of Sales:		
Direct materials	10,396,145	10,159,783
Direct labour	3,229,416	3,161,907
Total Cost of Sales	13,625,561	13,321,690
Gross profit (loss)	(848)	222,372
Other revenue	54,690	69,365
	53,842	291,737
Other Expenses:		
Communications	68,105	69,533
Depreciation — shop equipment	83,703	89,823
Miscellaneous	7,053	11,545
Obsolete inventory written off .....	.....	41,248
Printing and stationery	14,735	23,140
Repairs to shop equipment	73,315	75,280
Shop supplies and expense	364,678	404,613
Salaries and benefits	2,677,082	2,869,362
Total Other Expenses	3,288,671	3,584,544
Segment Margin	\$ (3,234,829)	\$ (3,292,807)

Schedule of Equipment Rental Operations

Year Ended March 31

Schedule 2

	1986	1985
Revenue:		
Construction and maintenance equipment rentals	\$ 20,891,971	\$ 21,785,361
Gain on disposal of fixed assets	14,137	5,947
Total Revenue	20,906,108	21,791,308
Expense:		
Depreciation — Construction and maintenance equipment	3,067,890	3,665,152
Repair and overhaul costs	7,149,158	7,567,991
Equipment operating costs	6,675,958	6,379,000
CVA lease rental expense	324,803	306,645
Total expense	17,217,809	17,918,788
Segment Margin	\$ 3,688,299	\$ 3,872,520

Schedule of General Expenses

Year Ended March 31

Schedule 3

	1986	1985
Office salaries	\$ 717,213	\$ 808,221
Travel	49,777	68,196
Liability insurance	14,741	19,094
Computer rental and telephone transmission	276,644	321,160
Communications	10,044	16,310
Printing and stationery	22,574	19,712
Miscellaneous	1,561	18,057
Depreciation — Office equipment	2,721	806
Bad debts	500	11,384
Total	\$ 1,095,775	\$ 1,282,940

Commercial Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of Commercial Revolving Fund as at March 31, 1986 and the statements of operations and accumulated operating deficit and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
August 1, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at March 31

Statement 1

	1986	1985
Assets		
Current:		
Cash	\$ 73	\$ —
Deposit with Consolidated Fund	38,286	63,994
Accounts receivable	14,194	19,927
Inventories	215,027	223,150
Total current assets	267,580	307,071
Fixed assets (Note 2)	1,080,724	859,098
	<u>\$ 1,348,304</u>	<u>\$ 1,166,169</u>
Liabilities and Fund Equity		
Current Liabilities:		
Accounts payable	\$ 18,575	\$ 35,521
Accrued salaries payable	23,892	22,822
Deposit for room reservations	38,286	63,994
Total current liabilities	80,753	122,337
Fund Equity:		
Accumulated net expenditure (Statement 3)	4,979,937	4,888,901
Accumulated operating deficit (Statement 2)	(3,712,386)	(3,845,069)
	<u>1,267,551</u>	<u>1,043,832</u>
	<u>\$ 1,348,304</u>	<u>\$ 1,166,169</u>

(See accompanying notes to the financial statements)

Commercial Revolving Fund

Statement of Operations and Accumulated Operating Deficit

Year Ended March 31

Statement 2

	1986	1985
Sales: Dining/Restaurant/Store	\$ 1,032,148	\$ 1,122,619
Cost of goods sold	502,192	495,704
Gross profit	529,956	626,915
Other revenue:		
Campground	1,667,477	1,760,314
Park entry	956,413	1,039,791
Accommodation	976,358	989,180
Cottage lot rentals	712,026	710,782
Golf fees	491,336	463,014
Ski fees	69,262	150,153
Commercial leases	317,650	201,037
Hall rental	90,110	98,766
Coin operations	78,141	70,913
Golf equipment rental	61,093	59,230
Ski equipment rental	—	1,986
Swim (lessons and pool fee)	48,136	49,046
Other fee rental revenue	51,399	39,658
Gain on disposal of fixed assets	47,955	1,989
License vendor premiums	19,780	—
Total revenue	6,117,092	6,262,774
Expenses:		
Wages	7,678,111	7,544,051
Materials, supplies, freight	691,738	732,321
Travel, sustenance	58,924	55,342
Vehicle rental	561,810	525,016
Utilities	565,767	558,263
Repairs and maintenance	492,102	443,369
Equipment rental	441,896	402,600
Depreciation	274,721	224,347
Other fuel	183,873	227,095
Publicity and advertising	173,224	166,568
Gas, oil, lubricants	117,226	67,104
Postage and communications	87,050	68,790
Vendor licenses	14,430	—
Other expenses	6,447	71,538
Total expenses	11,347,319	11,086,404
Net loss	5,230,227	4,823,630
Accumulated operating deficit, beginning of year	3,845,069	4,221,439
Subsidy from Consolidated Fund	(5,362,910)	(5,200,000)
Accumulated operating deficit, end of year — to Statement 1	\$ 3,712,386	\$ 3,845,069

(See accompanying notes to the financial statements)

Commercial Revolving Fund

Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

Statement 3

	1986	1985
Financing Requirements:		
Subsidy from Consolidated Fund	\$ (5,362,910)	\$ (5,200,000)
Net capital acquisitions		
Purchase of fixed assets	527,265	369,455
Proceeds from sale of fixed assets	(78,874)	(7,232)
	<u>448,391</u>	<u>362,223</u>
Working capital changes		
Increase (decrease) in cash in bank	73	(792)
Increase (decrease) in deposit with Minister of Finance	(25,708)	5,396
Increase (decrease) in accounts receivable	(5,733)	11,474
(Decrease) increase in inventories	(8,123)	31,925
(Increase) decrease in accounts payable	16,947	(20,695)
(Increase) decrease in accrued salaries payable	(1,070)	6,050
Decrease (increase) in deposit for room reservation	25,708	(5,397)
	<u>2,094</u>	<u>27,961</u>
Total financing requirements	<u>(4,912,425)</u>	<u>(4,809,816)</u>
Add: Funds Used by Operations:		
Loss from operations	5,230,227	4,823,630
Items not involving inflow (outflow) of funds:		
Provision for depreciation	(274,721)	(224,347)
Gain on disposal of fixed assets	47,955	1,989
Total funds used by operations	<u>5,003,461</u>	<u>4,601,272</u>
Net cash expenditure	91,036	(208,544)
Assets to Resource Protection and Development Revolving Fund (Note 3) ..	<u>—</u>	<u>(3,571)</u>
	91,036	(212,115)
Accumulated net expenditure, beginning of year	4,888,901	5,101,016
Accumulated net expenditure, end of year (Statement 1)	<u>\$ 4,979,937</u>	<u>\$ 4,888,901</u>

(See accompanying notes to the financial statements)

Commercial Revolving Fund

Notes to the Financial Statements

Year Ended March 31, 1986

1. Accounting Policies

A. Authority and Definition of Reporting Entity

The authority for this revolving fund was originally contained in Section 13 of The Department of Tourism and Renewable Resources Act and is continued under Section 14 of The Department of Parks and Renewable Resources Act. The purpose of the revolving fund is to finance and provide a system of accounting for the commercial operation of government owned and operated facilities required to promote and develop the use and enjoyment of parks and renewable resources in the province.

B. Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

C. Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the revolving fund.

D. Accumulated Net Expenditure

The accumulated net expenditure of the fund includes the following:

- i) amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances.
- ii) net cash expenditure (recovery) for each fiscal year thereafter.
- iii) the transfer amount of assets acquired at no extra charge.

E. Authorized Financing

Section 14(10) of The Department of Parks and Renewable Resources Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$7,000,000 was established by Order-in-Council in February, 1983.

F. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 14(4) of The Department of Parks and Renewable Resources Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Commercial Revolving Fund shall be \$4,500,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

G. Inventories

Inventories consist of goods held for resale in park, confectioneries and stores, and maps and photographs held at the regional, district and park offices. Inventories are valued at the lower of cost or net realizable value. Items such as gas, oil and grease, repair and maintenance supplies and firewood are not included in inventories in the financial statements but are expensed when purchased.

H. Fixed Assets and Depreciation

Fixed assets are recorded at cost. The cost and related accumulated depreciation of items retired or disposed of are removed from the records and any gains or losses are included in the income statement.

Depreciation is calculated on the straight line basis with the annual rates being 15% for equipment and 10% for furnishings.

2. Fixed Assets

	1986			1985	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	
Equipment	\$ 3,210,030	\$ 2,245,087	\$ 964,943	\$ 727,866	
Furniture and fixtures	293,390	177,609	115,781	131,232	
	<u>\$ 3,503,420</u>	<u>\$ 2,422,696</u>	<u>\$ 1,080,724</u>	<u>\$ 859,098</u>	

Commercial Revolving Fund

Notes to Financial Statements — (Concluded)

3. Asset Transfers

Section 1010 of the Financial Administration Manual requires that equipment, acquired at no cost by a Revolving Fund from another government agency or disposed of at no charge by a Revolving Fund to another government agency, should be recorded at the lower of estimated book value or fair market value at the date of transfer by adjusting the asset and accumulated expenditure accounts. During the 1985-86 fiscal year, no assets were transferred to or from other government agencies (1984/85 — \$3,571 was transferred to the Resource Protection and Development Revolving Fund.)

4. Segmented Information

The revolving fund's total sales \$1,032,148 (1985 — \$1,122,619), gross profit \$529,956 (1985 — \$626,915) and net loss of \$5,230,227 (1985 — loss \$4,823,630) are comprised of the following:

	Echo Valley Centre		Parks Operations	
	1986	1985	1986	1985
Sales	\$ 386,264	\$ 388,756	\$ 645,884	\$ 733,863
Cost of sale	80,496	92,837	421,696	402,867
Gross Profit	305,768	295,919	224,188	330,996
Other Revenue	492,278	522,732	5,094,858	5,113,127
	798,046	818,651	5,319,046	5,444,123
Expenses	1,144,328	1,173,578	10,202,991	9,912,826
Net loss	\$ (346,282)	\$ (354,927)	\$ (4,883,945)	\$ (4,468,703)

5. Costs Borne by Other Agencies

In accordance with established government policy, the revolving fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

Resource Protection and Development Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Resource Protection and Development Revolving Fund as at March 31, 1986, and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
July 10, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement of Financial Position

As at March 31

Statement 1

	1986	1985
Assets		
Current:		
Petty cash	\$ 50	\$
Accounts receivable (Note 8)	302,185	104,776
Inventory	917,534	850,515
Prepaid expenses	23,241	.....
	<u>1,243,010</u>	<u>955,291</u>
Non Current:		
Equipment (Note 6)	2,697,845	2,838,073
Land development	196,033	190,171
	<u>2,893,878</u>	<u>3,028,244</u>
	<u>\$ 4,136,888</u>	<u>\$ 3,983,535</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable (Note 8)	\$ 78,156	\$ 202,407
Equity:		
Accumulated operating surplus (Statement 2)	42,781	10,065
Accumulated net expenditure (Statement 3)	4,015,951	3,771,063
	<u>4,058,732</u>	<u>3,781,128</u>
	<u>\$ 4,136,888</u>	<u>\$ 3,983,535</u>

(See accompanying notes)

Resource Protection and Development Revolving Fund

Statement of Operations and Accumulated Operating Surplus

Year Ended March 31

Statement 2

	1986	1985
Revenue:		
Equipment rental and recoveries	\$ 1,090,003	\$ 1,121,039
Recovery of current year expenditures from Department of Parks and Renewable Resources Appropriation	8,667,736	14,151,111
Recovery from other sources	206,839	577,144
Service	1,109,437	977,702
Fish enhancement	56,893	.....
Lease	7,010	36,400
	<u>11,137,918</u>	<u>16,863,396</u>
Expenses:		
Rental of equipment, building and aircraft	5,306,453	8,876,414
Labour, travel and sustenance	2,904,352	4,428,652
Repair and overhaul of equipment	937,117	909,049
Fuel, materials and supplies	1,069,344	1,961,778
Depreciation	427,782	427,341
Miscellaneous operating	369,283	282,791
Land development	5,853	15,525
General and administrative	85,018	70,493
	<u>11,105,202</u>	<u>16,972,043</u>
Current year operating surplus (deficit)	32,716	(108,647)
Accumulated surplus, beginning of year	10,065	118,712
Accumulated surplus, end of year (Statement 1)	<u>\$ 42,781</u>	<u>\$ 10,065</u>

(See accompanying notes)

Statement of Financing Activities and Accumulated Net Expenditure

For Year Ended March 31

Statement 3

	1986	1985
Financing Requirements of the Revolving Fund		
Net capital acquisition:		
Purchase of equipment	\$ 309,150	\$ 347,766
Less proceeds from sale of equipment	(39,763)	(41,909)
	<u>269,387</u>	<u>305,857</u>
Working capital changes:		
Increase in accounts receivable	197,459	10,756
Increase in inventories	67,019	117,178
Increase in prepaid expenses	23,241	.....
Increase (Decrease) in cottage lot development costs	5,862	(2,767)
Decrease in accounts payable	124,250	166,878
	<u>417,831</u>	<u>292,045</u>
	<u>687,218</u>	<u>597,902</u>
Less amount financed by operations:		
Net income (loss)	32,716	(108,647)
Items not requiring an outlay (inflow) of funds:		
— Depreciation	427,782	427,341
— (Gain)/Loss on disposal of equipment	(18,168)	14,733
	<u>442,330</u>	<u>333,427</u>
Net expenditure	244,888	264,475
Balance arising from the undepreciated value of assets transferred from other departments at no cost during year	.....	7,409
	<u>244,888</u>	<u>271,884</u>
Accumulated net expenditure, beginning of year	3,771,063	3,499,179
Accumulated net expenditure, end of year (Statement 1)	<u>\$ 4,015,951</u>	<u>\$ 3,771,063</u>

(See accompanying notes)

Resource Protection and Development Revolving Fund

Notes to Financial Statements

March 31, 1986

1. Significant Accounting Policies

a) Basis of Accounting

These financial statements have been prepared in accordance with accounting policies that are considered appropriate for revolving funds. Accordingly, the accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to the year-end are recorded as paid in the previous year.

b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982, and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) Amounts recorded in the accounts in respect of assets transferred from other departments at no cost. Treasury Board has directed that any equipment acquired at no cost by the Revolving Fund, from another government agency, should be recorded at the lower of estimated net book value or fair market value of the equipment at the date of acquisition with a corresponding credit being made to the accumulated net expenditure account.
- iii) Net cash expenditure (recovery) for each fiscal year thereafter.

d) Inventory

A physical inventory of materials and supplies taken at the end of each fiscal year is valued at the lower of cost or replacement cost.

e) Land Development

The recreational subdivision program develops recreational lots for lease to the public. The value of such non-current assets reflects costs to March 31, 1986, incurred on lot development. These development costs will be recovered when the subdivisions are leased.

f) Depreciation

Depreciation provided on construction equipment is determined by estimating the useful life in miles, hours, or months of each unit and allocating the cost of operations on the basis of usage.

Depreciation on radio communications equipment is calculated on a straight-line basis with the current annual rate being 8.34% of cost.

Depreciation on garage, shop and office equipment is calculated on the straight-line basis with the current annual rate being 10% of cost.

g) Firefighting Equipment

The Fire Suppression program uses firefighting equipment financed out of the departmental appropriation. The costs of these items is not reflected in the Revolving Fund except for the replacement cost of equipment which has been consumed in the suppression of fires.

2. Authority and Definition of Entity

The authority of this Revolving Fund was originally established under Section 11 of The Department of Tourism and Renewable Resources Act, and as of May 16, 1983, continues under Section 13 of The Department of Parks and Renewable Resources Act.

The purpose of the Revolving Fund is to provide a system of accounting for the provision of labour, machinery, equipment, materials, supplies, and technical, supervisory and administrative services that are required for the construction, maintenance, repair, alteration, extension or improvement of buildings, structures, recreation facilities, roads, dams, bridges, fireguards or other works of similar nature; and for the provision of a radio communications service which includes the establishment, construction, maintenance and operation of radio communications networks; and for the acquisition and development of recreation sites.

Resource Protection and Development Revolving Fund

Notes to Financial Statements — (Concluded)

3. Authorized Financing

Subsection 13(10) of The Department of Parks and Renewable Resources Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. The maximum amount has been set at \$12,000,000 by authority of Order-in-Council 315/83.

4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Subsection 13(4) of The Department of Parks and Renewable Resources Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Revolving Fund shall be \$200,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus/deficit exceeds the maximum, then any surplus/deficit in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into/from the Consolidated Fund.

5. Segmented Information

	<i>Equipment Rental Programs</i>	<i>Fire Suppression</i>	<i>Cottage Lot Program</i>	<i>Radio Comm. Branch</i>	<i>Fish Enhance- ment</i>	<i>Total</i>
Revenue	\$ 1,090,003	\$ 8,874,575	\$ 7,010	\$ 1,109,437	\$ 56,893	\$11,137,918
Expenses	1,049,567	8,874,575	43,383	1,080,784	56,893	11,105,202
Current Year Operating Surplus (Deficit)	\$ 40,436	\$	\$ (36,373)	\$ 28,653	\$	\$ 32,716
1985 Operating Surplus/(Deficit) ..	\$20,355	\$	\$ (10,907)	\$ (118,095)	\$	\$ (108,647)

6. Equipment

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value 1986</i>	<i>Net Book Value 1985</i>
Equipment Rental	\$ 3,429,130	\$ 1,618,474	\$ 1,810,656	\$ 1,970,522
Radio Communications	1,435,502	548,313	887,189	867,551
	\$ 4,864,632	\$ 2,166,787	\$ 2,697,845	\$ 2,838,073

7. Fire Suppression Program

The Revolving Fund charges the Department of Parks and Renewable Resources for all costs incurred for forest fire suppression, including the replacement cost of equipment which has been consumed. As a result, the Revolving Fund has a zero current year operating surplus in the fire suppression segment of operations.

8. Related Party Transactions

In accordance with established government practice, the Revolving Fund has not been charged with certain occupancy, financing, administrative and certain other costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

Included in year end receivable is a balance owing from government departments or agencies of \$185,715 (1985 — included in year end payable balance owing to government departments or agencies of \$189,776).

Central Vehicle Agency Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Central Vehicle Agency Revolving Fund as at March 31, 1986 and the statements of operations and surplus, financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
July 11, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at March 31

Statement 1

	1986	1985
Assets		
Current:		
Petty Cash	\$ 825	\$ 825
Accounts Receivable	1,677,475	1,798,613
Inventories (Note 1(g))	948,506	880,695
Prepaid Expense	1,109,171	1,084,151
	<u>3,735,977</u>	<u>3,764,284</u>
Fixed:		
Vehicles, aircraft and equipment (Note 3)	31,560,790	28,526,810
Total Assets	<u>\$ 35,296,767</u>	<u>\$ 32,291,094</u>
Liabilities and Fund Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 825,151	\$ 1,069,364
Fund Equity:		
Accumulated net expenditure (Statement 3)	28,452,130	28,026,897
Accumulated Surplus (Statement 2)	6,019,486	3,194,833
	<u>34,471,616</u>	<u>31,221,730</u>
Total Liabilities and Fund Equity	<u>\$ 35,296,767</u>	<u>\$ 32,291,094</u>

(See accompanying notes to the financial statements)

Central Vehicle Agency Revolving Fund

Statement of Operations and Surplus

Year Ended March 31

Statement 2

	1986	1985
Revenue:		
Rentals	\$ 23,283,948	\$ 23,460,063
Miscellaneous	8,364	26,719
Treasury Board Surcharge (Note 4)	858,152	1,025,741
Treasury Board Surcharge Repayable	(858,152)	(1,025,741)
	<u>23,292,312</u>	<u>23,486,782</u>
Operating Expenses:		
Gas, oil and repairs	7,806,211	7,840,955
Depreciation expense (Note 1(f))	8,049,762	7,881,363
Salaries	2,653,498	2,470,281
Licences and insurance	1,845,359	1,910,198
Air charter cost	212,032	157,758
Computer Cost — Vehicles	117,514	175,607
Travel and sustenance	96,203	60,761
Contractual services	84,440	29,500
Miscellaneous — Other	62,831	34,629
Printing and stationery	27,246	22,300
Shop expense	13,576	58,028
Transporting vehicles	12,290	23,042
Telephone	12,262	12,106
Driving training	5,550	13,406
Air frame damage repair .....	.....	87,326
Net gain on sale of vehicles and aircraft (Note 7)	(1,689,573)	(1,190,118)
	<u>19,309,201</u>	<u>19,587,142</u>
Income from operations	3,983,111	3,899,640
Less Administrative expenses	1,158,458	1,454,805
Net income	2,824,653	2,444,835
Surplus — beginning of year	3,194,833	3,525,581
Surplus returned to Consolidated Fund .....	.....	(2,775,583)
Surplus — end of year	<u>\$ 6,019,486</u>	<u>\$ 3,194,833</u>

(See accompanying notes to the financial statements)

Central Vehicle Agency Revolving Fund

Statement of Financing Activities and Accumulated Net Expenditure

Year Ended March 31

Statement 3

	1986	1985
Financing requirements of the Revolving Fund:		
Net Capital Acquisitions:		
Purchase of fixed assets	\$ 12,070,314	\$ 11,263,889
Proceeds from sale of fixed assets	(3,030,037)	(2,645,846)
Overhaul of aircraft engines .....	.....	182,310
	<u>\$ 9,040,277</u>	<u>\$ 8,800,353</u>
Working Capital Changes:		
Increase (decrease) in petty cash .....	.....	200
Increase (decrease) in accounts receivable	(121,138)	(5,556)
Increase (decrease) in inventories	67,811	(78,763)
Increase (decrease) in prepaid expenses	25,020	55,658
Decrease (increase) in accounts payable	244,213	881,330
	<u>215,906</u>	<u>852,869</u>
Prior years net income paid into Consolidated Fund .....	.....	2,775,583
	<u>9,256,183</u>	<u>12,428,805</u>
Less amounts financed by operations:		
Net income	2,824,653	2,444,835
Items not affecting working capital		
— depreciation	8,049,762	7,881,363
— gain on disposal of fixed assets (Note 7)	(2,043,465)	(1,612,362)
	<u>8,830,950</u>	<u>8,713,836</u>
Net cash expenditure	425,233	3,714,969
Accumulated net expenditure, beginning of year	28,026,897	24,311,928
Accumulated net expenditure, end of year	<u>\$ 28,452,130</u>	<u>\$ 28,026,897</u>

(See accompanying notes to the financial statements)

Central Vehicle Agency Revolving Fund

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

(a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- (i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- (ii) Disbursements made within 30 days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

(b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the revolving fund.

(c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- (i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- (ii) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of assets transferred from other departments at no cost. Treasury Board has directed that any additional equipment acquired at no cost by the Revolving Fund, from another government agency, should be recorded at the lower of estimated net book value or fair market value of the equipment at the date of acquisition with a corresponding credit being made to the accumulated net expenditure account.
- (iii) Net cash expenditure (recovery) for each fiscal year thereafter.

(d) Authorized Financing

Section 15(11) of The Department of Supply and Services Act provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. The maximum amount has been set at \$42,000,000 by authority of Order-in-Council 675/83.

(e) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 15(5) of The Department of Supply and Services Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus (deficit) for the Central Vehicle Agency Revolving Fund shall be \$5,000,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

(f) Depreciation

Depreciation charged for the year is mainly determined by allocating on a straight line basis the total cost of each asset after considering salvage value, over its estimated useful life. Depreciation rates are from 1% per month to 1.625% per month for vehicles (1984/85 — 1% to 1.625%), 2.5% per year to 5% per year for aircraft (1984/85 — 2.5% to 5%) and from \$5.05 per hour to \$41.57 per hour for aircraft engines (1984/85 — \$5.05 to \$41.57 per hour). Other fixed assets are depreciated from 10% to 20% annually.

(g) Inventory

Inventories of gasoline, oil and aircraft parts and supplies are valued at the lower of cost and net realizable value.

(h) Costs Borne by Other Agencies

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

Central Vehicle Agency Revolving Fund

Notes to Financial Statements — (Continued)

2. Authority and Definition of Entity

The authority for this revolving fund is contained in Section 15 of The Department of Supply and Services Act. The purpose of the revolving fund is to finance and provide a system of accounting for the provision of transportation services to public agencies and fire prevention services.

3. Vehicles, Aircraft and Equipment

	1986		1985	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Vehicles	\$ 42,592,380	\$ 23,030,905	\$ 19,561,475	\$ 19,316,223
Aircraft	6,833,062	2,274,477	4,558,585	4,915,593
Aircraft under construction	5,833,820	.....	5,833,820	3,184,860
Engines	1,792,974	522,736	1,270,238	832,247
Shop, hangar and medical equipment	632,890	301,045	331,845	271,753
Office equipment	11,325	6,498	4,827	6,134
	<u>\$ 57,696,451</u>	<u>\$ 26,135,661</u>	<u>\$ 31,560,790</u>	<u>\$ 28,526,810</u>

4. Treasury Board Surcharge

This surcharge is levied on the C.V.A. billings for those agencies whose vehicle establishments do not require Treasury Board approval. The surcharge is based on the 'cost of money' applied to the net book value of the vehicles being used. The cost of the money is determined by the Minister of Finance on a quarterly basis.

5. Commitments

As of March 31, 1986 the Revolving Fund had on order 925 vehicles at an estimated cost of \$8,902,387 (March 31, 1985 — 701 vehicles at \$5,172,734). Also the Fund was contractually obligated to aircraft purchases at a remaining cost of \$9,633,308 (March 31, 1985 — \$13,163,832).

6. Segmented Information

	Vehicles	Executive Transport	Air Ambulance	Northern Air Transportation	Fire Suppression	Total
Revenue	\$ 18,551,990	\$ 1,328,134	\$ 590,640	\$ 148,616	\$ 2,672,932	\$ 23,292,312
Operating Expenses	7,848,020	1,094,481	576,913	102,729	1,637,296	11,259,439
Depreciation	7,731,263	57,090	29,056	14,301	218,052	8,049,762
	<u>15,579,283</u>	<u>1,151,571</u>	<u>605,969</u>	<u>117,030</u>	<u>1,855,348</u>	<u>19,309,201</u>
Profit on operations	2,972,707	176,563	(15,329)	31,586	817,584	3,983,111
Administrative expenses	302,217	257,187	85,729	25,667	487,658	1,158,458
Net income (loss) for the year	<u>\$ 2,670,490</u>	<u>\$ (80,624)</u>	<u>\$ (101,058)</u>	<u>\$ 5,919</u>	<u>\$ 329,926</u>	<u>\$ 2,824,653</u>

Central Vehicle Agency Revolving Fund

Notes to Financial Statements — (Concluded)

7. Net Gain on Sale of Vehicles and Aircraft

A net gain was realized from the sale of vehicles and aircraft as follows:

	1986	1985
Gain on sale of vehicles	\$ 1,954,429	\$ 1,612,362
Reconditioning costs on vehicles sold	205,796	308,298
Salaries	96,676	63,164
Advertising	51,420	49,831
Auctioneer's Fees .....	.....	951
Total expenses associated with vehicle sales	353,892	422,244
Net gain on sale of vehicles	\$ 1,600,537	\$ 1,190,118
Cessna IVB	15,465	.....
Cessna CED	22,444	.....
Cessna EJC	5,035	.....
Floats and Skis (Cessna)	5,635	.....
Navajo SPX	40,457	.....
Gain on sale of aircraft	89,036	.....
Net gain on sale of vehicles and aircraft (to Statement 2)	\$ 1,689,573	\$ 1,190,118
Gross gain on sale:		
Vehicles	\$ 1,954,429	\$ 1,612,362
Aircraft	89,036	.....
Gain on sale of vehicles and aircraft (to Statement 3)	\$ 2,043,465	\$ 1,612,362

8. Comparative Information

Certain comparative information has been reclassified to conform with the current year's presentation.

Office Services Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Office Services Revolving Fund as at March 31, 1986, and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986, and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
July 18, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement of Financial Position

As at March 31

Statement 1

	1986	1985
Assets		
Current:		
Accounts receivable	\$ 410,304	\$ 533,322
Inventory	491,733	499,448
Work in progress	88,219	36,434
Prepaid expenses	4,683	7,727
Total current assets	994,939	1,076,931
Fixed:		
Equipment and deferred computer development costs (Note 5)	225,067	283,794
	<u>\$ 1,220,006</u>	<u>\$ 1,360,725</u>
Liabilities and Equity		
Current:		
Accounts payable and accrued liabilities	\$ 41,418	\$ 76,787
Deferred revenue	78,375	174,025
Total current liabilities	119,793	250,812
Equity:		
Accumulated surplus (Statement 2)	84,534	181,221
Accumulated net expenditure (Statement 3)	1,015,679	928,692
Total equity	1,100,213	1,109,913
	<u>\$ 1,220,006</u>	<u>\$ 1,360,725</u>

(See accompanying notes)

Office Services Revolving Fund

Statement of Operations and Accumulated Operating Surplus

Year Ended March 31

Statement 2

	1986	1985
Sales	\$ 4,730,411	\$ 4,572,085
Cost of sales	4,456,340	4,107,561
Gross Profit	274,071	464,524
Operating Expenses:		
Administrative salaries	318,347	315,868
Association and professional fees	2,750	2,200
Bad debt expense	513	3,309
Consultant fees .....	.....	5,000
Computer operating costs .....	.....	7,271
Loss on disposal of equipment .....	.....	2,922
Office expenses	19,485	14,830
Sundry	5,630	3,324
Telephone	15,527	16,384
Travel, sustenance and delivery	8,506	6,411
	370,758	377,519
Surplus (deficit) for the year	(96,687)	87,005
Accumulated surplus, beginning of year	181,221	94,216
Accumulated surplus, end of year	\$ 84,534	\$ 181,221

(See accompanying notes)

Statement of Financing Activities and Accumulated Net Expenditure

Year Ended March 31

Statement 3

	1986	1985
Financing requirements of the Revolving Fund		
Net capital acquisition:		
Purchase of fixed assets	\$ 26,870	\$ 12,551
(Proceeds) from sale of fixed assets .....	.....	(9,064)
	26,870	3,487
Working capital changes:		
Increase (decrease) in accounts receivable	(123,018)	262,406
Increase (decrease) in inventories	(7,715)	14,648
Increase (decrease) in work in progress	51,785	(10,187)
(Decrease) in prepaid expenses	(3,044)	(12,942)
Decrease in accounts payable and accrued liabilities	35,369	105,243
Decrease (increase) in deferred revenue	95,650	(174,025)
	49,027	185,143
Less: amount financed by operations:		
Surplus (deficit) for the year	(96,687)	87,005
Items not requiring an outlay of funds:		
Depreciation	85,597	85,883
Loss on disposal of fixed assets .....	.....	2,922
	(11,090)	175,810
Net expenditure for the year	86,987	12,820
Undepreciated value of net assets acquired at no cost during year .....	.....	148,186
	86,987	161,006
Accumulated net expenditure, beginning of year	928,692	767,686
Accumulated net expenditure, end of year	\$ 1,015,679	\$ 928,692

(See accompanying notes)

Office Services Revolving Fund

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the revolving fund.

c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982, and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) Amounts due to the Minister of Finance as at March 31, 1982, and assumed by the Revolving Fund in respect of assets transferred from other departments at no cost. Treasury Board has further directed that any additional equipment acquired at no cost by the Revolving Fund, from another government agency, should be recorded at the lower of estimated net book value or fair market value of the equipment at the date of acquisition with a corresponding credit being made to the accumulated net expenditure account.
- iii) Net cash expenditure (recovery) for each fiscal year thereafter.

d) Inventory

Inventory is valued at the lower of cost or replacement cost.

e) Depreciation and Amortization

Depreciation charged for the year is determined by allocating on a straight-line basis the total cost of each item of equipment over its estimated useful life. The rates varied from 10% to 20% in the current year.

Amortization charged on certain computer development costs is allocated on a straight-line basis over the anticipated period of benefit from these costs. The costs incurred in the current year are being amortized over a period of 5 years.

2. Authority and Definition of Entity

The authority for this Revolving Fund is contained in Section 14 of The Department of Supply and Services Act. The purpose of the Revolving Fund is to finance and provide a system of accounting for the provision of:

- i) office services to public agencies,
- ii) mapping and surveying services,
- iii) distribution of government publication.

3. Authorized Financing

Subsection 14(11) of The Department of Supply and Services Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. The maximum amount has been set at \$3,500,000.

4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with subsection 14(5) of The Department of Supply and Services Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Office Services Revolving Fund shall be \$225,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

Office Services Revolving Fund

Notes to Financial Statements — (Concluded)

5. Equipment and Deferred Computer Development Costs

	1986		1985	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Addressing	\$ 58,951	\$ 39,336	\$ 19,615	\$ 18,018
Dryprinting	36,291	32,326	3,965	7,008
Duplicating	110,846	91,149	19,697	29,803
Bindery	117,266	65,704	51,562	63,838
Photo reproduction	285,615	214,778	70,837	97,515
Office	2,775	2,324	451	569
Typesetting	20,800	15,786	5,014	7,346
Deferred computer development costs	78,703	53,792	24,911	40,655
Surveys	28,700	11,321	17,379	11,223
Map and Photo Library	3,584	1,941	1,643	2,881
Mapping	7,200	1,400	5,800	.....
Acts and publications	5,683	1,490	4,193	4,938
	<u>\$ 756,414</u>	<u>\$ 531,347</u>	<u>\$ 225,067</u>	<u>\$ 283,794</u>

The provision for depreciation of equipment and amortization of deferred computer development costs is included in cost of sales and amounted to \$85,597 in the current year and \$85,883 in 1985.

6. Related Party Transactions

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

Supply Agency Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Supply Agency Revolving Fund as at March 31, 1986 and the statements of operations and accumulated deficit, financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 18, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at March 31

Statement 1

	1986	1985
Assets		
Current:		
Accounts receivable	\$ 523,009	\$ 412,356
Inventory (Note 1(e))	1,610,697	1,330,552
Prepaid expenses	112,792	42,458
	<u>2,246,498</u>	<u>1,785,366</u>
Fixed assets (Note 5)	3,297,373	2,222,081
	<u>\$ 5,543,871</u>	<u>\$ 4,007,447</u>
Liabilities and Fund Equity		
Current liabilities:		
Accounts payable	\$ 256,207	\$ 93,912
Deferred revenue	83,257	—
	<u>339,464</u>	<u>93,912</u>
Fund equity:		
Accumulated net expenditure (Statement 3)	5,470,346	4,501,699
Accumulated surplus (deficit) (Statement 2)	(265,939)	(588,164)
	<u>5,204,407</u>	<u>3,913,535</u>
	<u>\$ 5,543,871</u>	<u>\$ 4,007,447</u>

(See accompanying notes to the financial statements)

Supply Agency Revolving Fund

Statement of Operations and Accumulated Deficit

Year Ended March 31

Statement 2

	1986	1985
Revenue:		
Sales	\$ 6,934,636	\$ 6,024,132
Cost of sales	6,336,997	5,444,325
Gross profit	597,639	579,807
Word processor rental	1,744,191	998,259
Central distribution	80,339	94,535
	<u>2,422,169</u>	<u>1,672,601</u>
Operating Expenses:		
Salaries	428,117	419,908
Damaged and obsolete stock	21,064	47,635
Travel and delivery	8,501	13,862
Other operating expenses	7,118	2,424
Printing and binding	—	25,507
Freight	4,425	979
Equipment:		
Depreciation	1,230,658	671,088
Leased	18,029	45,302
Repairs and maintenance	355,690	221,537
Gas and oil	7,288	11,849
Licenses	3,244	6,504
	<u>2,084,134</u>	<u>1,466,595</u>
Operating profit	<u>338,035</u>	<u>206,006</u>
Administrative Expenses:		
Salaries	208,758	178,927
Stationery and office supplies	10,396	5,551
Telephone	4,994	5,124
Other administrative expenses	6,687	7,522
	<u>230,835</u>	<u>197,124</u>
Net income for the year from operations	<u>107,200</u>	<u>8,882</u>
Extraordinary item:		
Loss due to obsolete inventory (Note 7)	<u>—</u>	<u>282,021</u>
Net income (loss) for the year to Statement 3	<u>107,200</u>	<u>(273,139)</u>
Accumulated surplus (deficit), beginning of year	<u>(588,164)</u>	<u>(315,025)</u>
Recovery of prior year's losses (Note 4)	<u>215,025</u>	<u>—</u>
Accumulated surplus (deficit), end of year	<u>\$ (265,939)</u>	<u>\$ (588,164)</u>

(See accompanying notes to the financial statements)

Supply Agency Revolving Fund

Statement of Financing Activities and Accumulated Net Expenditure

Statement 3

Year Ended March 31

	1986	1985
Financing requirements of the revolving fund:		
Net capital acquisitions:		
Purchase of fixed assets	\$ 2,306,039	\$ 1,412,087
Proceeds from sale of fixed assets	—	(96,115)
	2,306,039	1,315,972
Inventory obsolescence	—	282,021
Working capital changes (Note 8):		
Increase (decrease) in accounts receivable	110,653	173,328
Increase (decrease) in inventories	280,145	(600,273)
Increase (decrease) in prepaid expenses	70,334	(20,252)
(Increase) decrease in accounts payable	(162,295)	18,014
(Increase) decrease in deferred revenue	(83,257)	—
	215,580	(429,183)
	2,521,619	1,168,810
Financing provided by the revolving fund:		
Net income from operations (Statement 2)	107,200	8,882
Items not affecting working capital:		
Depreciation	1,230,747	671,126
(Gain) loss on disposal of fixed assets	—	(6,827)
	1,337,947	673,181
Recovery of prior year's losses (Note 4)	215,025	—
	1,552,972	673,181
Net cash expenditure	968,647	495,629
Balance arising from undepreciated value of assets transferred (to) from other departments during the year (Note 8)	—	(148,185)
	968,647	347,444
Accumulated net expenditure, beginning of year	4,501,699	4,154,255
Accumulated net expenditure, end of year	\$ 5,470,346	\$ 4,501,699

(See accompanying notes to the financial statements)

Supply Agency Revolving Fund

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

(a) Basis of Accounting

The accounts are maintained on the accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

(b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund to finance net capital acquisitions, working capital requirements and temporary financing of (provided by) operating deficits (surpluses) of the revolving fund.

(c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of assets transferred from other departments at no cost. Treasury Board has further directed that any additional material or equipment acquired (or disposed of) at no cost by the revolving fund, from (to) another government agency, should be recorded at the lower of estimated net book value or fair market value of the material or equipment at the date of acquisition with a corresponding credit being made to the accumulated net expenditure account.
- iii) Net cash expenditure (recovery) for each fiscal year thereafter.

(d) Depreciation

Depreciation charged for the year is determined by allocating on a straight line basis the total cost of each asset over its estimated useful life. Depreciation rates are mainly from 25% to 30% per year for word processors and 10% to 45% for other fixed assets. Word processing equipment acquired after December 31, 1984 is being depreciated over four years at 30% for each of the first three years and 10% for the fourth year.

(e) Inventory

Inventories of office and field supplies are valued at the lower of cost and net realizable value.

2. Authority and Definition of Entity

The authority for this revolving fund is continued under Section 13(2) of The Department of Supply and Services Act. The purpose of the revolving fund is to finance and provide a system of accounting for the provision of office and field supplies and word processing equipment required by public agencies.

3. Authorized Financing

Section 13(11) of The Department of Supply and Services Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. The maximum amount has been set at \$8,000,000 by authority of Order-in-Council 677/83.

4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 13(5) of The Department of Supply and Services Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the revolving fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus (deficit) for the Supply Agency Revolving Fund shall be \$100,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall within 15 months be paid into (from) the Consolidated Fund.

During the year ended March 31, 1986, the Revolving Fund received \$215,025 from the Consolidated Fund, being the portion of the March 31, 1984 deficit in excess of \$100,000.

5. Fixed Assets

	1986		1985	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Equipment	\$ 26,389	\$ 14,464	\$ 11,925	\$ 14,365
Word Processor	5,484,584	2,258,855	3,225,729	2,137,920
Central distribution	86,627	35,746	50,881	58,482
Stores	23,358	14,520	8,838	11,314
	<u>\$ 5,620,958</u>	<u>\$ 2,323,585</u>	<u>\$ 3,297,373</u>	<u>\$ 2,222,081</u>

Supply Agency Revolving Fund

Notes to Financial Statements — (Concluded)

6. Segmented Information

	<i>Northern Operations</i>	<i>Southern Operations</i>	<i>Total</i>
Sales	\$ 4,786,503	\$ 2,148,133	\$ 6,934,636
Cost of Sales	4,476,276	1,860,721	6,336,997
Gross profit	310,227	287,412	597,639
Word processing rental	—	1,744,191	1,744,191
Central distribution	80,339	—	80,339
	390,566	2,031,603	2,422,169
Operating expenses	351,210	1,732,924	2,084,134
Operating profit	39,356	298,679	338,035
Administrative expenses	38,654	192,181	230,835
Net income for the year	\$ 702	\$ 106,498	\$ 107,200

7. Extraordinary Item

On April 1, 1984, the Government transferred the Acts and Publications segment of operations from the Supply Agency Revolving Fund to another Government agency. Upon transfer, \$282,021 of related inventories became obsolete, as they could not be utilized under the receiving agency's mandate.

8. Transferr of Assets To Another Revolving Fund

	<i>Assets of Publications Division Transferred to Office Services Revolving Fund</i>
Accounts receivable	\$ 17,930
Inventory	124,572
Fixed assets	5,683
	<u>\$ 148,185</u>

9. Related Party Transactions

In accordance with established government policy, the revolving fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

Systems Centre Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Systems Centre Revolving Fund as at March 31, 1986 and the statements of operations and surplus (deficit) and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 20, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at March 31

Statement 1

	1986	1985
Assets		
Current assets:		
Cash	\$ 100	\$ 100
Accounts receivable	175,718	313,626
Inventories	939	7,160
Prepaid expenses	331,704	337,058
Total current assets	508,461	657,944
Fixed assets:		
Furniture and equipment (Note 5)	438,160	126,002
Total assets	\$ 946,621	\$ 783,946
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 80,364	\$ 4,257
Deferred revenue (Note 1(e))	1,054,747	613,294
Total current liabilities	1,135,111	617,551
Equity:		
Accumulated net expenditure (Statement 3)	311,651	105,934
Accumulated (deficit) surplus (Statement 2)	(500,141)	60,461
Total equity	(188,490)	166,395
Total liabilities and equity	\$ 946,621	\$ 783,946

(See accompanying notes to the financial statements)

Systems Centre Revolving Fund

Statement of Operations and Surplus (Deficit)

Year Ended March 31

Statement 2

	1986	1985
Revenue:		
Analyst and other computer services	\$ 4,742,299	\$ 5,709,652
Expenses:		
Salaries	3,666,122	3,741,957
Rental of equipment	640,680	1,271,067
Staff training and education	375,836	111,673
Maintenance of equipment	116,869	6,198
Equipment purchase for resale	106,834	.....
Contractual services	90,637	96,274
Research and consulting fees	79,832	33,705
Telephone rental and toll charges	70,317	59,890
Travel and sustenance	47,748	28,992
Depreciation	46,232	5,202
Office supplies	31,919	27,980
Duplicating services	12,356	21,018
Freight and express	9,346	2,590
Staff recruitment	8,173	.....
Total expenses	5,302,901	5,406,546
Net (loss) income	(560,602)	303,106
Surplus (deficit), beginning of year	60,461	(242,645)
(Deficit) surplus, end of year (Statement 1)	\$ (500,141)	\$ 60,461

(See accompanying notes to the financial statements)

Statement of Financing Activities and Accumulated Net Expenditure

Year Ended March 31

Statement 3

	1986	1985
Financing Requirements of the Revolving Fund:		
Net capital acquisitions:		
Purchase of fixed assets	\$ 394,264	\$ 118,659
(Proceeds) on sale of fixed assets	(42,759)	(3,000)
	351,505	115,659
Working capital changes:		
(Decrease) increase in accounts receivable	(137,909)	53,460
(Decrease) increase in inventory	(6,221)	(4,557)
(Decrease) increase in prepaid expenses	(5,354)	319,641
(Increase) in accounts payable	(76,107)	(3,035)
(Increase) in deferred revenue	(441,453)	(495,066)
	(667,044)	(129,557)
Less Amount Financed by Operations:		
Net (loss) income	(560,602)	303,106
Items not requiring an outlay of funds		
Depreciation	46,232	5,202
(Gain) on sale of fixed assets	(6,886)	(3,000)
	(521,256)	305,308
Net cash expenditure (recovery)	205,717	(319,206)
Accumulated net expenditure, beginning of year	105,934	425,140
Accumulated net expenditure, end of year (Statement 1)	\$ 311,651	\$ 105,934

(See accompanying notes to the financial statements)

Systems Centre Revolving Fund

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

(a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within thirty days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within thirty days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

(b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (providing of) operating deficits (surpluses) of the Revolving Fund.

(c) Accumulated Net Expenditure

The accumulated net expenditure of the Revolving Fund includes the following:

- i) amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) net cash expenditure (recovery) for each fiscal year thereafter.

(d) Depreciation

Depreciation on furniture and equipment is calculated on a straight line basis at an annual rate based on the estimated useful life of the assets. Rates in force currently vary from 10% to 33-1/3%.

(e) Revenue Recognition

Revenue from long term fixed price contracts is accounted for by the percentage-of-completion method whereby income is recognized as expenses are incurred on individual contracts. If estimated total costs on any of these contracts indicate a loss, the entire amount of the estimated loss is recognized immediately.

2. Authority and Definition of Reporting Entity

The authority for this Revolving Fund was originally contained in Section 36 of The Department of Revenue, Supply and Services Act, R.S.S. 1978, and is continued under Section 12(1) of The Department of Supply and Services Act. The purpose of the Revolving Fund is to provide to public agencies:

- i) planning, feasibility analysis, management and consulting services with respect to computer based systems;
- ii) system development, maintenance and technical support services;
- iii) systems quality assurance services; and
- iv) access to system resources in national and international jurisdictions.

3. Authorized Financing

Section 12(10) of The Department of Supply and Services Act, provides for a maximum amount of accumulated net expenditure which may be outstanding at any time to be set by order of the Lieutenant Governor-in-Council. A maximum amount of two million dollars (\$2,000,000) was established by Order-in-Council in April, 1983.

4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 12(4) of The Department of Supply and Services Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Systems Centre Revolving Fund shall be \$250,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

5. Furniture and Equipment

	1986		1985	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Furniture and Equipment	\$ 33,255	\$ 28,600	\$ 4,655	\$ 6,606
Computer Equipment	480,819	47,314	433,505	119,396
	<u>\$ 514,074</u>	<u>\$ 75,914</u>	<u>\$ 438,160</u>	<u>\$ 126,002</u>

Systems Centre Revolving Fund

Notes to Financial Statements — (Concluded)

6. Costs Borne by Other Agencies

In accordance with established government practice, the Revolving Fund has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs together with certain general administrative and employee benefit costs are absorbed by various departmental appropriations.

7. Long-term Lease Commitments

The Revolving Fund has long-term lease agreements the longest of which ends in fiscal year 1991/92. Future minimum lease payments under these operating leases will be approximately as follows:

Year Ending March 31	Amounts
1987	\$ 523,971
1988	447,695
1989	447,695
1990	447,695
1991	336,537
1992	105,986
Total	<u>\$2,309,579</u>

8. Comparative Statements

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 1986 financial statements.

Northern Saskatchewan Economic Development Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Northern Saskatchewan Economic Development Revolving Fund as at March 31, 1986, the statement of operations and accumulated surplus (deficit) and the statement of financing activities for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986, and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 13, 1986.

W. G. Lutz, F.C.A.
Provincial Auditor.

Statement of Financial Position

As at March 31

Statement 1

Assets

		1986		1985
Cash		\$		\$ 450
Loans receivable	\$ 9,845,072		\$ 8,589,932	
Less allowance for doubtful accounts	3,439,548		3,254,920	
		6,405,524		5,335,012
Accrued interest	990,286		1,072,949	
Less Allowance for doubtful accounts	865,844		934,577	
		124,442		138,372
Accounts receivable	224,514		295,399	
Less allowance for doubtful accounts	224,514		270,879	
				24,520
Due from Saskatchewan Forest Products Corporation				382,871
Due from Northern Forest Operations Ltd.		29,634		
Inventory of logs and lumber				1,885,829
Fixed assets — net book value (Note 6) ..		5,801		1,422,546
		<u>\$ 6,565,401</u>		<u>\$ 9,189,600</u>

Liabilities and Equity

Liabilities:

Bank indebtedness	\$	\$ 71,993
Accounts payable	16,719	93,842
Due to Minister of Finance (Statement 3)	6,405,524	5,335,012

Equity:

Accumulated net expenditure (Statement 3)	434,349	5,130,696
Accumulated surplus (deficit) (Statement 2) (Note 4)	(291,191)	(1,441,943)
	<u>\$ 6,565,401</u>	<u>\$ 9,189,600</u>

(See accompanying notes)

Northern Saskatchewan Economic Development Revolving Fund

Statement of Operations and Accumulated Surplus (Deficit)

Statement 2

For the Year Ended March 31

	Forest Division	Loan Fund Division	Total 1986	Total 1985
Revenue	\$	\$ 449,770	\$ 449,770	(Note 9) 2,829,259
Cost of goods sold .....	.....	.....	.....	2,040,574
Gross profit (loss) .....	.....	449,770	449,770	788,685
Administrative expenses:				
Administration fee	955	.....	955	2,000
Advertising .....	.....	.....	.....	10,137
Mill site salaries .....	.....	.....	.....	179,510
Office expenses .....	.....	.....	.....	16,533
Other salaries .....	.....	282,779	282,779	297,050
Provision for uncollectible loans or accounts	(5,869)	115,895	110,026	196,814
Repossession and maintenance costs ..	.....	29,071	29,071	(28,476)
Sundry	250	21,926	22,176	63,092
Travel and vehicle .....	.....	45,955	45,955	86,173
Write down of inventory to market value .....	.....	.....	.....	119,405
	(4,664)	495,626	490,962	942,238
Net income (loss) before extraordinary item	4,664	(45,856)	(41,192)	(153,553)
Extraordinary item				
Loss on sale of Forestry Division (Note 8)	(680,538)	.....	(680,538)	.....
Net loss	(675,874)	(45,856)	(721,730)	(153,553)
Accumulated deficit, beginning of year ...	(1,073,533)	(368,410)	(1,441,943)	(1,288,390)
Accumulated deficit recovered	1,754,072	118,410	1,872,482	.....
Accumulated surplus (deficit), end of year	\$ 4,665	\$ (295,856)	\$ (291,191)	\$ (1,441,943)

(See accompanying notes)

Northern Saskatchewan Economic Development Revolving Fund

Statement of Financing Activities

For the Year Ended March 31

Statement 3

	1986	1985
Change in Accumulated Net Expenditure:		
Financing requirements of (recovery by) the Revolving Fund		
Net capital acquisition:		
Purchase of fixed assets	\$ 5,531	\$ 9,509
Proceeds from sale of fixed assets	(741,100)	.....
	(735,569)	9,509
Working capital changes:		
Decrease in cash	(450)	.....
Decrease in accrued interest	(13,930)	(2,854)
Decrease in accounts receivable	(24,520)	(187,743)
Increase in due from Northern Forest Operations Ltd.	29,634	.....
Decrease in due from Saskatchewan Forest Products Corporation ...	(382,871)	(57,294)
Increase (decrease) in inventory	(1,885,829)	579,289
Decrease (increase) in current liabilities	149,115	(73,891)
Decrease in prepaid expense .....	.....	(15,736)
	(2,128,851)	241,771
Recovery of accumulated deficit	(1,872,482)	.....
	(4,736,902)	251,280
Less amount required to finance operations:		
Net loss	721,730	153,553
Deduct items not requiring an outlay of funds:		
Depreciation	(637)	(85,336)
Extraordinary loss on sale of Forestry Division (Note 8)	(680,538)	.....
	40,555	68,217
Net cash expenditure (recovery)	(4,696,347)	319,497
Accumulated net expenditure, beginning of year	5,130,696	4,811,199
Accumulated net expenditure, end of year (Statement 1)	\$ 434,349	\$ 5,130,696
Change in Amount Due to Minister of Finance:		
Payments by Minister of Finance for loans	\$ 3,348,676	\$ 2,125,600
Less loans repaid to the Minister of Finance	(2,093,536)	(996,327)
Less provision for uncollectible loans, non-budgetary portion	(184,628)	(102,535)
Net increase in advances	1,070,512	1,026,738
Balance at beginning of year	5,335,012	4,308,274
Balance at end of year (Statement 1)	\$ 6,405,524	\$ 5,335,012

(See accompanying notes)

Northern Saskatchewan Economic Development Revolving Fund

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

b) Due to the Minister of Finance

This amount represents non-budgetary advances made by the Minister of Finance to provide funds for the loan program, less repayments of loans and less an allowance for doubtful accounts.

c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the net cash outflow (inflow) from the Consolidated Fund to finance net capital acquisitions, working capital requirements and temporary financing of operating deficits of the revolving fund.

d) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982, and assumed by the revolving fund in respect of budgetary working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund revenue and expense activities as budgetary transactions.
- ii) Net cash expenditure (recovery) for each fiscal year thereafter.

e) Fixed Assets and Depreciation

Fixed assets are recorded at cost. The cost and accumulated depreciation of items retired or disposed of are removed from the books and any gains or losses are included in the statement of operations.

Depreciation of all fixed assets is charged to the operations of the revolving fund commencing in the first full month that each asset is used and is computed by dividing the cost less estimated salvage value by the estimated useful life of the assets.

The following rates apply:

Assets	Rates
Office equipment	10%

2. Authority and Definition of Accounting Entity

The authority for the establishment of this Revolving Fund is contained in section 5 of The Northern Saskatchewan Economic Development Act and sections 7.1 and 9.1 of The Department of Tourism and Small Business Act and the accounting policies are set forth in the regulations authorized by Treasury Board. The purpose of the Revolving Fund is to finance and provide a system of accounting for the provision of material and services as permitted by these Acts.

3. Authorized Financing

Sections 9.1(13) and 9.1(14) of The Department of Tourism and Small Business Act provide for maximum of accumulated net expenditures and advances which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. The maximum amounts have been set at \$15,000,000 for accumulated net expenditures and \$10,000,000 for advances.

4. Disposition of Accumulated Operating Surplus or Deficit

Treasury Board under authority of Section 12 and 13 of The Department of Finance Act, has specified that the maximum accumulated surplus/deficit for the Northern Saskatchewan Economic Development Revolving Fund shall be \$250,000. Treasury Board has also stated that any accumulated surplus (deficit) in excess of the maximum at the end of a fiscal year shall within 15 months be paid into (from) the Consolidated Fund.

5. Loans

Loans bear interest at a rate established by order of the Minister of Tourism and Small Business and normally are repayable over a period not exceeding ten years. Security on individual loans varies according to what is considered adequate in the particular circumstances and includes promissory notes, mortgages on real property, chattel mortgages and insurance on assets and on the lives of borrowers.

The provision for uncollectible loans is determined by personnel of the Revolving Fund through analysis of each loan, taking into account repayment history and other relevant information concerning the operation of the loan recipient.

Northern Saskatchewan Economic Development Revolving Fund

Notes to Financial Statements — (Concluded)

6. Fixed Assets

	1986 <i>Total</i>	1985 <i>Total</i>
		(See Note 8)
Cost	\$ 7,310	\$ 2,310,758
Accumulated depreciation	1,509	888,212
Net book Value	<u>\$ 5,801</u>	<u>\$ 1,422,546</u>
Depreciation	<u>\$ 637</u>	<u>\$ 85,336</u>

7. Related Party Transactions

In accordance with established government policy the Revolving Fund has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs are absorbed by various departmental appropriations.

Certain direct costs, including accounting and administrative costs related to the loans program, have been paid by The Department of Tourism and Small Business and the Department of Supply and Services and have not been reflected in these financial statements.

8. Extraordinary Loss

Effective April 1, 1985, the assets of the Forestry Division, not including certain accounts receivables, less certain liabilities, were sold to Northern Forest Operations Ltd. under an agreement entered into between the Province of Saskatchewan and Northern Forest Operations Ltd.

Assets Sold

i) Fixed assets, net book value ..	\$ 1,421,639
ii) Inventory	1,885,829
	<u>3,307,468</u>
Purchase price	2,626,930
Loss on sale	<u>\$ 680,538</u>

9. Comparative Figures

Included in the Statement of Operations and Accumulated Surplus (Deficit) for the year April 1, 1984 to March 31, 1985 are transactions relating to the Forestry Division as follows:

Revenue	\$2,300,519
Cost of goods sold	2,040,574
Administrative expenses	576,514
Net Loss	316,569

Northern Construction Revolving Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Northern Construction Revolving Fund as at March 31, 1986 and the statements of operations and accumulated operating deficit, and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
August 19, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at March 31

Statement 1

	1986	1985
Assets		
Current		
Accounts receivable	\$ —	\$ —
Fixed assets	—	—
	<u>\$ —</u>	<u>\$ —</u>
Liabilities and Fund Equity		
Current		
Accounts payable	\$ —	\$ —
Fund Equity		
Accumulated net expenditure (Statement 3)	155,069	155,069
Accumulated operating deficit (Statement 2)	(155,069)	(155,069)
	<u>—</u>	<u>—</u>
	<u>\$ —</u>	<u>\$ —</u>

(See accompanying notes to the financial statements)

Statement of Operations and Accumulated Operating Deficit

Year Ended March 31

Statement 2

	1986	1985
Sales of services	\$ —	\$ 566,177
Expenses		
Cost of sales	—	534,165
General operating and administrative (Schedule 1)	—	178,435
	<u>—</u>	<u>712,600</u>
Net loss on operations	—	(146,423)
(Loss) on disposal of fixed assets (Note 2)	—	(6,828)
Net loss	—	(153,251)
Accumulated operating deficit — beginning of year	(155,069)	(1,818)
Accumulated operating deficit, end of year (to Statement 1)	<u>\$ (155,069)</u>	<u>\$ (155,069)</u>

(See accompanying notes to the financial statements)

Northern Construction Revolving Fund

Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

Statement 3

	1986	1985
Financing requirements		
Recovery of accumulated deficit	\$ —	\$ —
Proceeds from sale of fixed assets	—	—
	—	—
Working capital changes		
(Decrease) in accounts receivable	—	(84,301)
Decrease in accounts payable	—	373,752
	—	289,451
Total financing requirement	—	289,451
Add: Funds required for operations		
Loss from operations	—	153,251
Items not involving flow of funds:		
Provisions for depreciation	—	(1,003)
Write-off of fixed assets	—	—
(Loss) on disposal of fixed assets	—	(6,828)
	—	145,420
Net cash expenditure	—	434,871
Accumulated net expenditure, beginning of year	155,069	(279,802)
Accumulated net expenditure, end of year — to Statement 1	\$ 155,069	\$ 155,069

(See accompanying notes to the financial statements)

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

a) Authority and Definition of Accounting Entity

The authority for this revolving fund is contained in Section 16(2) of The Northern Saskatchewan Economic Development Act. The purpose of the fund is to finance and provide a system of accounting for "Construction Services" and "Air Transportation Services" as defined in Section 16 of The Northern Saskatchewan Economic Development Act.

b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- (i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- (ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided) by operating deficits (surpluses) of the revolving fund.

d) Accumulated Net Expenditure (Recovery)

The accumulated net expenditure of the fund includes the following:

- (i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- (ii) Net cash expenditure (recovery) for each fiscal year thereafter.

(e) Authorized Financing

Section 16(11) of The Northern Saskatchewan Economic Development Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. A maximum amount of \$5,000,000 was set by Order-in-Council in May, 1983.

Northern Construction Revolving Fund

Notes to Financial Statements — (Concluded)

1. Accounting Policies — (Concluded)

(f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 16(5) of The Northern Saskatchewan Economic Development Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Northern Construction Revolving Fund shall be \$150,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) shall, as soon as possible after the close of the fiscal year, be paid into (from) the Consolidated Fund.

(g) Revenue Recognition

Revenue from construction consists of amounts equivalent to labour, materials and other costs plus a predetermined mark-up to recover general operating and administrative expenses. This revenue is recognized in the accounts as costs are incurred.

(h) Fixed Assets and Depreciation

Fixed assets are recorded at cost. The cost and related accumulated depreciation of items retired or sold are removed from the accounts and any gains or losses are included in the income statement. Depreciation is recorded on the straight-line basis using a rate of 20% based on the estimated useful life of the assets.

(i) Costs Borne by Other Agencies

In accordance with established Government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

2. Transfer of Operations

During the 1984/85 fiscal year the Government made a decision to transfer the operations of the Northern Construction Revolving Fund to the Saskatchewan Water Corporation effective June 30, 1984. This decision resulted in a payment by the Saskatchewan Water Corporation to the Department of Urban Affairs — Northern Construction Revolving Fund of \$Nil (1985 — \$7,568) as follows:

	1985/86	1984/85
Accounts receivables	\$ —	\$ 163,113
Accounts payables	—	155,545
	<u>\$ —</u>	<u>\$ 7,568</u>

In addition, pursuant to subsection 75(1) of The Water Corporation Act, Order-in-Council 1211/84 designated the transfer of fixed assets in 1984/85 with a net book value of \$6,828 to the Saskatchewan Water Corporation without further act, conveyance or other deed. As a result, the net book value of \$6,828 was shown as a loss on disposal of fixed assets in The Statement of Operations and Accumulated Operating Deficit.

3. Comparative Figures

The prior year's figures on Statement 2 and 3 are not comparative to those of the current year. The fund operated for three months in the prior year as compared to the fund not being in operation at all in the current year.

Northern Construction Revolving Fund

Schedule of General Operating and Administrative Expenses

Year Ended March 31

Schedule 1

	1986	1985
Salaries and employee benefits	\$ —	\$ 167,962
Supplies	—	1,889
Depreciation	—	1,003
Travel and sustenance	—	1,114
Miscellaneous	—	1,889
Equipment rentals	—	3,630
Write-off of fixed assets	—	—
Bad debts	—	948
	<u>\$ —</u>	<u>\$ 178,435</u>

(See accompanying notes to the financial statements)



Other Financial Statements

Carlton Trail Community College

Auditor's Report

Members of the Board
Carlton Trail Community College
Humboldt, Saskatchewan S0K 2A0

We have examined the operating fund and capital fund balance sheets of Carlton Trail Community College as at June 30, 1985 and the statements of revenue and expenditure and of changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1985 and the results of its operations and the changes in financial position for the year then ended, in accordance with accounting practices appropriate for community colleges applied on a basis consistent with that of the preceding year.

Wynyard, Saskatchewan,
August 30, 1985

E. J. C. Dudley & Co.
Chartered Accountants

Balance Sheet — Operating Fund

	June 30	
	1985	1984
Assets		
Current Assets		
Cash	\$ 145,985	\$ 82,323
Accounts receivable	41,731	66,522
Inventories	1,405	1,455
Total Assets	<u>\$ 189,121</u>	<u>\$ 150,300</u>
Liabilities and Surplus		
Current Liabilities		
Accounts payable	\$ 18,457	\$ 24,839
Accountable advance .....	.....	20,000
Deferred revenue	21,626	.....
Total Liabilities	40,083	44,839
Reserve — Equipment replacement	1,811	.....
Surplus	147,227	105,461
Total Liabilities and Surplus	<u>\$ 189,121</u>	<u>\$ 150,300</u>

"See accompanying notes"

Balance Sheet — Capital Fund

	1985		1984	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Assets				
Fixed Assets				
Equipment	\$ 102,003	\$ 58,299	\$ 43,704	\$ 32,519
Office furniture and fixtures	48,013	33,284	14,729	8,526
Leasehold improvements	7,480	4,387	3,093	173
Total Fixed Assets	<u>\$ 157,496</u>	<u>\$ 95,970</u>	<u>\$ 61,526</u>	<u>\$ 41,218</u>

	June 30	
	1985	1984
Equity		
Balance beginning of year	\$ 41,218	\$ 37,924
Transfers from operating fund	37,667	14,429
Depreciation	(17,359)	(10,633)
Prior period adjustment (note 2) .....	.....	(502)
Total Equity	<u>\$ 61,526</u>	<u>\$ 41,218</u>

"See accompanying notes"

Carlton Trail Community College

Statement of Changes in Fund Balances

	Year Ended June 30			
	1985		1984	
	<i>Current Operating Fund</i>	<i>Capital Fund</i>	<i>Current Operating Fund</i>	<i>Capital Fund</i>
Revenue and Other Additions				
Current fund revenues	\$ 1,347,092	\$	\$ 877,734	\$
Equipment purchased through current operating fund .....	.....	37,667	.....	14,429
Total Revenue and Other Additions	1,347,092	37,667	877,734	14,429
Expenditures and Other Deductions				
Education and general expenditure	1,267,659	.....	830,604	.....
Expended for equipment	37,667	.....	14,429	.....
Depreciation .....	.....	17,359	.....	10,633
Prior period adjustment (note 2) .....	.....	.....	.....	502
Total Expenditures and Other Deductions	1,305,326	17,359	845,033	11,135
Net Increase (Decrease) for the Year	41,766	20,308	32,701	3,294
Fund Balance beginning of the year	105,461	41,218	72,760	37,924
Fund Balance end of year	<u>\$ 147,227</u>	<u>\$ 61,526</u>	<u>\$ 105,461</u>	<u>\$ 41,218</u>

"See accompanying notes"

Operating Fund

Statement of Revenue, Expenses and Other Changes

	Year Ended June 30			
	1985			1984
	Un-sponsored Programs	Sponsored Programs	Total	Total
Revenue				
Operating tuition fees and payments . . .	\$ 115,339	\$ 500,916	\$ 616,255	\$ 298,257
Supplemental payments	525,012	.....	525,012	490,815
Administration	82,863	.....	82,863	52,942
Other	122,962	.....	122,962	35,720
Total Revenue	846,176	500,916	1,347,092	877,734
Expenses				
Program — direct cost	262,231	501,092	763,323	364,277
— supportive costs	299,901	.....	299,901	272,853
Administration	204,435	.....	204,435	193,474
Total Expenses	766,567	501,092	1,267,659	830,604
Excess of Revenue over Expenses	79,609	(176)	79,433	47,130
Capital Expenditures				
Equipment	22,111	.....	22,111	14,429
Furniture and Fixtures	9,885	.....	9,885	.....
Leasehold improvements	5,671	.....	5,671	.....
Total Capital Expenditures	37,667	.....	37,667	14,429
Surplus (Deficit) for the Year	\$ 41,942	\$ (176)	41,766	32,701
Surplus — beginning of year			105,461	72,760
Surplus — End of Year			\$ 147,227	\$ 105,461

"See accompanying notes"

Carlton Trail Community College

Schedule of Direct Program Expenses

	Year Ended June 30			1984	
	1985				
	Un-sponsored Programs	Sponsored Programs	Total	Total	
Advertising	\$ 19,668	\$ 2,501	\$ 22,169	\$ 8,325	
Agency payments	58,720	274,940	333,660	46,162	
Reference books	130	.....	130	440	
In-service training	1,926	1,251	3,177	1,084	
Instructional material	2,756	15,845	18,601	11,209	
Other direct costs	2,228	908	3,136	2,684	
Office expense	13,425	4,393	17,818	4,772	
Rent — facilities	47,078	10,291	57,369	28,553	
Rent — equipment	2,829	32,287	35,116	11,823	
Repairs and maintenance	7,415	3,694	11,109	.....	
Salaries — program personnel	6,690	.....	6,690	8,642	
— instructors	66,337	146,657	212,994	195,279	
Salaries — janitorial	4,062	.....	4,062	4,866	
Staff benefits	1,601	7,312	8,913	6,972	
Travel	20,865	206	21,071	25,263	
Tuition refunds	537	.....	537	648	
Supplies for resale	5,932	807	6,739	7,163	
Sundry	32	.....	32	392	
Total Direct Program Expenses	<u>\$ 262,231</u>	<u>\$ 501,092</u>	<u>\$ 763,323</u>	<u>\$ 364,277</u>	

Schedule of Support Expenses

	Year Ended June 30	
	1985	1984
Advertising, publicity and promotion	\$ 1,520	\$ 12,555
Reference books	752	.....
Dues and subscription	175	212
Postage	9,134	7,650
Supplies and stationery	8,767	8,440
Telephone	17,500	16,760
Rent — building	3,898	3,670
— equipment	1,513	722
Repairs and Maintenance .....	.....	983
Salaries	220,555	189,106
Staff benefits	15,056	12,669
Travel	18,152	17,295
In-service training	1,814	2,772
Sundry	1,065	19
Total Program Support Expenses	<u>\$ 299,901</u>	<u>\$ 272,853</u>

Carlton Trail Community College

Schedule of Administration Expense

	Year Ended June 30	
	1985	1984
Board expenses — travel	\$ 5,794	\$ 5,114
— honoraria	10,275	10,287
Board expenses — dues	3,341	2,851
— other	583	443
Reference books	567	1,277
In-service training	902	2,658
Dues and subscriptions	104	92
Insurance	2,864	2,864
Postage	3,093	2,457
Stationery and supplies	1,406	2,833
Telephone	5,769	5,614
Utilities	4,085	3,077
Sundry	706	2,196
Audit fees	6,500	2,750
Rent — office	29,697	26,420
— equipment	4,747	3,461
Repairs and Maintenance	4,508	4,131
Salaries	102,573	102,408
Staff benefits	8,314	7,938
Travel	3,362	4,603
Legal fees	1,145	.....
Equipment replacement reserve	4,100	.....
Total Administration Expense	\$ 204,435	\$ 193,474

Notes to Financial Statements

June 30, 1985

1. Significant Accounting Policies

The financial statements have been prepared in accordance with generally accepted accounting principles, and reflect the following policies:

Inventories

Inventories are valued at cost.

Fixed Assets

Fixed assets are stated at cost in the capital fund and additions to fixed assets are included in the expenditures of the operating fund. Depreciation is not provided for as current operating expense in the statement of revenues, expenditures and other charges, nor is it included in the current section of the statement of changes in fund balances. This is consistent with the accounting policies adopted by the Saskatchewan Community Colleges. For purposes of the capital fund depreciation is provided as follows:

Equipment	20% of the declining balance
Furniture & fixtures	20% of the declining balance
Leasehold improvement	Straight line over 2 - 5 years

Accountable Advance

The accountable advance is provided by the Department of Advanced Education and Manpower. The purpose of the advance is to provide funds to the college in the presentation of sponsored programs.

Deferred Revenues

Rent prepayments have been deferred to match the periods covered under the terms of the lease.

2. Prior Period Adjustment (1984)

This adjustment was required to remove items which had been capitalized in prior years in error. The adjustment reduced equipment \$685, accumulated depreciation \$183 and equity in capital fund assets \$502.

Coteau Range Community College

Auditor's Report

To The Board Members of Coteau Range Community College

We have examined the capital fund and operating fund balance sheets of Coteau Range Community College as at June 30, 1985 and the statements of revenue and expenses, operating fund surplus and equity in capital fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1985 and the results of its operations for the year then ended, in accordance with generally accepted fund accounting principles applied on a basis consistent with that of the preceding year.

Moose Jaw, Saskatchewan,
July 24, 1985

Boadway & Tiede
Chartered Accountants

Capital Fund Balance Sheet

As at June 30, 1985

	Cost	Accumulated Depreciation	1985	1984
Assets				
Fixed Assets				
Furniture	\$ 21,258	\$ 8,271	\$ 12,987	\$ 5,002
Equipment	144,097	60,561	83,536	52,214
Leasehold improvements	21,640	4,911	16,729	5,532
	<u>\$ 186,995</u>	<u>\$ 73,743</u>	<u>\$ 113,252</u>	<u>\$ 62,748</u>

Equity in Capital Assets

Equity — per statement	\$ 113,252	\$ 62,748
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Statement of Equity in Capital Fund

For the Year Ended June 30, 1985

	1985	1984
Balance — beginning of year	\$ 62,748	\$ 75,377
Add: Transfer from operating fund (Note 5)	72,888	8,717
	<u>135,636</u>	<u>84,094</u>
Deduct: Disposal of equipment	4,248	6,815
Current year depreciation (Note 5)	18,136	14,531
	<u>22,384</u>	<u>21,346</u>
Balance — end of year	<u>\$ 113,252</u>	<u>\$ 62,748</u>

Coteau Range Community College

Operating Fund Balance Sheet

As at June 30, 1985

Assets

	1985	1984
Current Assets		
Petty cash and travel advances	\$ 3,275	\$ 3,175
Bank	165,422	35,123
Accounts receivable	235,967	97,195
Prepaid expenses	11,379	20,749
	<u>\$ 416,043</u>	<u>\$ 156,242</u>

Liabilities and Surplus

Current Liabilities

Accounts payable	\$ 15,450	\$ 8,926
Advance — Department of Advanced Education and Manpower	120,000	20,000
Unearned revenue	62,637	7,800
	<u>198,087</u>	<u>36,726</u>
Reserve — Building Renovations (Note 4)	150,000	.....
Operating Fund Surplus	67,956	119,516
	<u>\$ 416,043</u>	<u>\$ 156,242</u>

Statement of Operating Fund Surplus

For the Year Ended June 30, 1985

	1985	1984
Balance — beginning of year	\$ 119,516	\$ 84,803
Excess revenue for the year	98,440	34,713
	<u>217,956</u>	<u>119,516</u>
Transfer to reserve for building renovations (Note 4)	150,000	.....
Balance — end of year	<u>\$ 67,956</u>	<u>\$ 119,516</u>

Operating Fund

Statement of Revenue and Expenses

For the Year Ended June 30, 1985

	Un-sponsored Programs	Sponsored Programs	Total 1985	Un-sponsored Programs	Sponsored Programs	Total 1984
Revenue						
Provincial Government (Note 3)	\$ 583,017	\$ 735,820	\$ 1,318,837	\$ 562,289	\$ 298,794	\$ 861,083
Tuition Fees (Note 1)	168,476	.....	168,476	218,609	.....	218,609
Other	97,829	.....	97,829	37,366	.....	37,366
Administration charges (Note 2)	17,505	33,750	51,255	18,583	.....	18,583
Total Revenues	<u>866,827</u>	<u>769,570</u>	<u>1,636,397</u>	<u>836,847</u>	<u>298,794</u>	<u>1,135,641</u>
Expenses, per schedule						
Administration	206,586	15,005	221,591	201,372	18,000	219,372
Program Direct	230,220	657,467	887,687	286,537	216,079	502,616
Program Support	258,693	97,098	355,791	305,508	64,715	370,223
Total Expenses	<u>695,499</u>	<u>769,570</u>	<u>1,465,069</u>	<u>793,417</u>	<u>298,794</u>	<u>1,092,211</u>
Excess Operating Revenue for the Year	171,328	.....	171,328	43,430	.....	43,430
Transferred to Capital Fund (Note 5)	72,888	.....	72,888	8,717	.....	8,717
Excess Revenue for the Year	<u>\$ 98,440</u>	<u>\$</u>	<u>\$ 98,440</u>	<u>\$ 34,713</u>	<u>\$</u>	<u>\$ 34,713</u>

Coteau Range Community College

Schedule of Expenses

Un-sponsored and Sponsored — Departments 110-260

For the Year Ended June 30, 1985

	Un-sponsored Programs	Sponsored Programs	Total 1985	Un-sponsored Programs	Sponsored Programs	Total 1984
Administrative Expenses						
Board expenses	\$ 24,799	\$	\$ 24,799	\$ 32,557	\$	\$ 32,557
Unallocated costs	1,850	.....	1,850	120	.....	120
Office expenses	27,445	.....	27,445	21,236	.....	21,236
Rentals	28,469	.....	28,469	26,084	.....	26,084
Repairs and maintenance	3,502	.....	3,502	3,888	.....	3,888
Salaries and employee benefits ..	113,272	.....	113,272	109,092	.....	109,092
Other	7,249	.....	7,249	8,395	.....	8,395
Total Administrative Expenses	206,586	.....	206,586	201,372	.....	201,372
Administration .....	.....	15,005	15,005	.....	18,000	18,000
	206,586	15,005	221,591	201,372	18,000	219,372
Program Expenses —						
Direct						
Advertising, publicity and promotion	32,610	2,009	34,619	30,365	384	30,749
Course costs	65,638	68,739	134,377	90,880	8,733	99,613
Program office expenses	2,513	20,958	23,471	809	7,654	8,463
Rentals	20,666	151,647	172,313	25,609	39,906	65,515
Repairs and maintenance	2,269	11,667	13,936	1,045	1,593	2,638
Salaries and employee benefits ..	79,535	398,362	477,897	108,515	149,838	258,353
Other	26,989	4,085	31,074	29,314	7,971	37,285
Total Program Expenses — Direct	\$ 230,220	\$ 657,467	\$ 887,687	\$ 286,537	\$ 216,079	\$ 502,616
Program Expenses —						
Support						
Program office expenses	\$ 30,075	\$	\$ 30,075	\$ 20,983	\$	\$ 20,983
Rentals	10,297	.....	10,297	8,630	.....	8,630
Repairs and maintenance	2,822	.....	2,822	2,230	.....	2,230
Salaries and employee benefits ..	198,167	93,585	291,752	251,898	63,065	314,963
Other	17,332	3,513	20,845	21,767	1,650	23,417
Total Program Expenses — Support	258,693	97,098	355,791	305,508	64,715	370,223
Total Expenses	\$ 695,499	\$ 769,570	\$ 1,465,069	\$ 793,417	\$ 298,794	\$ 1,092,211

Coteau Range Community College

Notes to the Financial Statements

For the Year Ended June 30, 1985

1. Tuition

Tuition is shown net of tuition refunds which totalled \$14,312. due mainly to course cancellation from low enrollment. Tuition collected by the universities on the College's behalf is included totalling \$29,294.

2. Cost Shared Support Grant

The College received a support grant of \$61,272. from the Provincial Government to assist in operating cost shared programs and has been allocated as follows:

- Program Coordination — ABE Director Services, \$30,440., shown as \$22,440. in ABE Sponsored revenue and \$8,000. in NSIM revenue.
- Program Needs Identification — Portion of all coordination time, \$12,517. — transferred to Un-sponsored Support Salaries.
- Students' Needs and Support — Career Services, \$3,310., shown in ABE Sponsored revenue.
- Financial Program Administration — \$15,005.

3. Sponsored Program Payments

The College received revenue from the Department of Advanced Education and Manpower for part-time, less than 100% recoverable programs. These programs included English as a Second Language and French as a Second Language.

The English as a Second Language program was reimbursed \$780., which represented 50% of the instructors' salaries. The French as a Second Language program was reimbursed \$5,045., which represented 100% of materials cost and 50% of other expenses.

4. Lease Obligations

The Coteau Range Community College holds a five year amended lease agreement with W.B.I. Holdings (formerly Moose Jaw Business Plaza Ltd.) for main office space and two classrooms at 637 Main Street North at Moose Jaw that expired October 31, 1985 and a five year renewal option has been exercised covering a period of November 1, 1985 to October 31, 1990. The total all-inclusive rent was \$33,831 including a \$1,000 a year escalator clause and twenty electrified parking spaces on premises. The area rented included 2,404 square feet of office space, 210 square feet of storage areas, and 1,286 square feet of classrooms. The five year renewal lease starting November 1, 1985 consists of the same square footage with an increase in cost per square foot and electrified parking for a total of \$43,017., including a \$1,000. a year escalator clause.

The lease agreement with Saskatchewan Supply and Services Department for 5,046 square feet of office/classroom space and 744 square feet of special purpose space for the Adult Basic Education Program located in the basement of the W. G. Davies Building at 110 Ominica Street West in Moose Jaw. The annual rent of \$23,402. with the agreement expiring October 31, 1985. At this time, the College has a letter of understanding with Supply and Services to rent the premises on a monthly basis until relocation to Alexandra School.

The College holds a five year lease agreement with Midway Holdings Ltd. for 700 square feet of office space plus 120 square feet of storage at their Southern branch office located at 203 Centre Street, Assiniboia. The annual fixed rent is \$3,600. plus utilities. The agreement expires May 31, 1987 and has a five year renewal option.

The College holds a five year lease with Jim and Alain Cran for approximately 710 square feet of office space for their Northern branch office located at Washington Street, Davidson. The annual fixed rent is \$3,840. The agreement expires February 28, 1988 and has a five year renewal option.

The College has signed an agreement with the City of Moose Jaw to lease indefinitely the Alexandra School at \$1.00 annual rent. The College will undertake to renovate the premises in phases with an approximate expense of \$300,000. spent in phase one. The College has arranged to finance the renovations by securing a loan of up to \$150,000. with the Canadian Imperial Bank of Commerce, Main and High Branch, Moose Jaw, Saskatchewan. The balance of the funds will be appropriated from the College operating surplus. The Adult Basic Education office and classrooms will move from their current premises by October 31, 1985 and the main office is to move in the future. The College will be responsible for all expenses incurred thereafter pending negotiations with the City of Moose Jaw.

During the period July 1, 1984 to June 30, 1985 the third floor of Alexandra School was made available to the College for the Saskatchewan Skills Development Program classes. The College recovered rent of \$50,000., from the program and the expenses incurred during this period were as follows:

Caretaking	\$ 1,396
Gas/Electric	557
Install Electrified Parking Stalls	7,092
Third Floor Improvements	6,139
Boiler Repair	150
Rent	1
	\$15,335

The balance of \$34,665. has been included in the reserve for future renovations at Alexandra School.

Coteau Range Community College

Notes to Financial Statements — (Concluded)

5. Accounting Policy

Depreciation is recorded by the declining balance method at the following rates:

Furniture and Equipment	20%
Improvements	20%

Fixed assets are expensed through the operating fund in the year of acquisition.

During the year, the College purchased from operating fund monies, furniture, equipment and leasehold improvements in the amount of \$72,888.

Cumberland Community College

Auditors' Report

Members of the Board
Cumberland Community College
Nipawin, Saskatchewan

We have examined the operating fund and capital fund balance sheets of Cumberland Community College as at June 30, 1985 and the statements of changes in surplus and of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1985 and the results of its operations and the changes in surplus for the year then ended, in accordance with generally accepted accounting policies described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Nipawin, Saskatchewan,
September 18, 1985

Armstrong & Neumann
Chartered Accountants

Balance Sheet — Operating Fund

Assets

	June 30	
	1985	1984
Current Assets		
Cash	\$ 70,303	\$ 73,653
Accounts receivable	52,968	32,674
Prepaid expenses	9,027	14,312
Total Current Assets	<u>\$ 132,298</u>	<u>\$ 120,639</u>

Liabilities and Surplus

Current Liabilities		
Accounts payable	\$ 23,373	\$ 29,362
Accountable advance	17,000	16,000
Total Liabilities	<u>40,373</u>	<u>45,362</u>
Surplus	<u>91,925</u>	<u>75,277</u>
Total Liabilities and Surplus	<u>\$ 132,298</u>	<u>\$ 120,639</u>

"See accompanying notes"

Balance Sheet — Capital Fund

	1985			1984
	Cost	Accumulated depreciation	Net book value	Net book value
Fixed Assets (note 2)				
Films	\$ 2,996	\$ 2,799	\$ 197	\$ 281
Audio visual and other educational equipment	39,500	19,949	19,551	21,751
Automotive equipment	6,775	2,033	4,742	.....
Office furniture and fixtures	47,389	30,680	16,709	10,050
Leasehold improvements	4,471	2,343	2,128	2,547
Total Fixed Assets	<u>\$ 101,131</u>	<u>\$ 57,804</u>	<u>\$ 43,327</u>	<u>\$ 34,629</u>

Equity

	1985	1984
Surplus		
Balance beginning of year	\$ 34,629	\$ 40,649
Transfers from operating fund	20,763	3,425
Depreciation	(12,065)	(9,445)
Total Equity	<u>\$ 43,327</u>	<u>\$ 34,629</u>

"See accompanying notes"

Cumberland Community College

Statement of Changes in Surplus

	Year Ended June 30			
	1985		1984	
	Operating fund	Capital fund	Operating fund	Capital fund
Revenues and Other Additions				
Current fund revenues	\$ 877,981	\$	\$ 870,944	\$
Facilities and equipment purchased through current operating fund .....	.....	26,789	.....	6,436
Total Revenues and Other Additions ..	877,981	26,789	870,944	6,436
Expenditures and Other Deductions				
Education and general expenditures ...	840,570	.....	872,100	.....
Expended for facilities and equipment ..	20,763	.....	3,424	.....
Depreciation .....	.....	12,065	.....	9,445
Proceeds on sale of equipment .....	.....	6,026	.....	3,011
Total Expenditures and Other Deductions	861,333	18,091	875,524	12,456
Net Increase (Decrease) for the Year ..	16,648	8,698	(4,580)	(6,020)
Surplus — beginning of Year	75,277	34,629	79,857	40,649
Surplus — End of Year	\$ 91,925	\$ 43,327	\$ 75,277	\$ 34,629

"See accompanying notes"

Operating Fund

Statement of Revenue, Expenses and Other Charges

	Year Ended June 30		
	1985		1984
	Un-sponsored Programs	Sponsored Programs	Total
Revenue			
Operating tuition fees payments	\$ 85,106	\$ 312,358	\$ 397,464
Supplemental payments	432,024	.....	432,024
Other	48,493	.....	48,493
Total Revenue	565,623	312,358	877,981
Expenses			
Program — direct costs	169,423	251,482	420,905
— supportive costs	261,246	.....	261,246
Administration	97,543	60,876	158,419
Total Expenses	528,212	312,358	840,570
Excess of Revenue Over Expenses	37,411	.....	37,411
Capital Expenditures			
Audio visual and other educational equipment	2,687	.....	2,687
Automotive equipment	6,775	.....	6,775
Office furniture and equipment	10,836	.....	10,836
Leasehold improvements	465	.....	465
Total Capital Expenditures	20,763	.....	20,763
Surplus (Deficit) for Year	\$ 16,648	\$	16,648
Surplus — beginning of year .....	.....	.....	75,277
Surplus at End of Year .....	.....	.....	\$ 91,925

"See accompanying notes"

Cumberland Community College

Schedule of Direct Program Expense

	Year Ended June 30			1984
	1985			
	Un-sponsored Programs	Sponsored Programs	Total	Total
Advertising	\$ 21,444	\$ 647	\$ 22,091	\$ 24,854
Agency payments	15,081	2,850	17,931	22,672
Reference books	7	.....	7	3,751
In-service training	559	.....	559	793
Instructional material	5,915	38,174	44,089	81,703
Other direct costs	4,720	6,723	11,443	5,836
Insurance .....	.....	.....	.....	669
Other professional services	7,763	.....	7,763	5,856
Rent — facilities	24,795	46,237	71,032	77,445
— equipment	4,818	7,926	12,744	11,219
Repairs — educational equipment	2,819	.....	2,819	2,788
Salaries — instructors	51,089	139,392	190,481	188,630
— janitorial .....	.....	.....	.....	344
Staff benefits	1,977	5,785	7,762	7,042
Travel and conferences	9,269	3,748	13,017	18,565
Tuition fee refunds	819	.....	819	1,874
Supplies for resale	15,974	.....	15,974	8,838
Workers' compensation	286	.....	286	1,113
Innovative projects	2,088	.....	2,088	2,732
Total Direct Program Expense	\$ 169,423	\$ 251,482	\$ 420,905	\$ 466,724

Schedule of Program Support Expenses

	Year Ended June 30	
	1985	1984
Advertising, publicity and promotion	\$ 2,275	\$ 3,562
Postage	4,899	4,627
Supplies and stationery	5,630	4,233
Telephone	15,520	14,913
Freight	952	1,270
Repairs and maintenance — equipment	175	417
Repairs and maintenance — automotive	2,307	.....
Rent — building	5,660	5,320
Rent — equipment	4,702	.....
Salaries — co-ordinators	111,671	102,977
Salaries — clerical	59,177	57,623
Staff benefits	14,166	13,860
Careers counselling	15,160	.....
Workers' compensation	392	655
Travel	11,396	13,501
In-service training	3,521	2,351
Local contact committees	2,440	1,135
Utilities	1,019	844
Other	184	1,638
Total Program Support Expenses	\$ 261,246	\$ 228,926

Cumberland Community College

Schedule of Administration Expenses

	Year Ended June 30	
	1985	1984
Board expenses — travel	\$ 6,414	\$ 8,090
— honoraria	11,355	13,423
Board expenses — other	4,045	1,802
Reference books	22	.....
In-service training	75	180
Dues and subscriptions	621	507
Insurance	2,069	2,131
Postage	1,733	1,589
Supplies and stationery	3,159	2,514
Other administrative expenses	2,616	2,694
Telephone	5,146	4,977
Utilities	3,229	2,680
Freight	212	313
Audit fees	5,600	1,975
Legal fees	5,623	7,233
Rent — buildings	21,600	20,773
Rent — office equipment	2,292	3,827
Repairs to office equipment	5,166	4,038
Janitorial services	1,795	2,659
Salaries	65,366	81,631
Staff benefits	4,772	7,188
Workers' compensation	490	160
Travel and conferences	5,019	6,066
Total Administration Expenses	\$ 158,419	\$ 176,450

Cumberland Community College

Notes to the Financial Statements

June 30, 1985

1. Significant Accounting Policies

The significant accounting policies used by the college are:

Fund Accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system, to segregate the transactions of a particular activity. These funds are:

a) Operating Fund

The operating fund contains the current revenue, expenditures, assets, liabilities and surplus pertaining to the general operations of the college.

b) Capital Fund

The capital fund contains the capital assets, which are property and equipment, any long term debt with respect to acquisition of these assets, and surplus, which is the equity in capital fund assets.

2. Fixed Assets

Fixed assets are stated at cost in the capital fund and additions to fixed assets are included in the expenditures of the operating fund. Depreciation is not provided for as current operating expense in the statement of revenues, expenditures and other charges, nor is it included in the current section of the statement of changes in surplus. This is consistent with the accounting policies adopted by the Saskatchewan Community Colleges. For purposes of the capital fund, depreciation is provided using the following methods and rates:

Automotive	30% of the declining balance
Films	30% of the declining balance
Furniture and fixtures	20% of the declining balance
Leasehold improvements	Straight line over 5 years

3. Contingent Liabilities

Claim for Dismissal

Cumberland Community College is currently dealing with a claim for dismissal without cause. Due to the nature of the claim, an estimate cannot be made of the liability, if any. Should a settlement become necessary from the resolution of this contingency it would be accounted for as a prior period adjustment of the operating surplus account of the College.

Union Contract

Cumberland Community College is currently in the process of negotiating a union contract with its employees for the period July 1, 1984 to June 30, 1985. The amount of the liability, if any, for retroactive adjustments resulting from the contract settlement is not determinable at this time. Any adjustments resulting from the contract settlement will be accounted for as a prior period adjustment of the operating surplus account of the College.

4. Leases

The college currently leases office space in three urban centres. It also leases two cars. The terms of the leases follow:

	Monthly Lease	Term of Lease
Nipawin office	\$ 1,050	2 years
Melfort office	\$ 1,100	3 years
Vehicle #1	\$ 191	3 years
Vehicle #2	\$ 188	3 years
The future lease payments arising:		
1986	\$ 30,348	
1987	30,348	
1988	17,748	
1989	.....	
1990	.....	

Cypress Hills Community College

Auditors' Report

To the Board of the
Cypress Hills Community College

We have examined the statement of operating fund financial position and the statement of capital fund financial position of the Cypress Hills Community College as at June 30, 1985 and the statement of revenue and expenditure and the schedules of program expenses and administration expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the college as at June 30, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies as described in Note 1 to financial statements applied on a basis consistent with that of the preceding year.

Swift Current, Saskatchewan,
October 20, 1985

Stark & Company
Chartered Accountants

Statement of Operating Fund Financial Position

As at June 30, 1985

	1985	1984
Assets		
Current Assets		
Cash	\$ 73,745	\$ 91,918
Accounts receivable — Note 2	99,970	31,943
Prepaid expenses	634	632
Other	165	158
	<u>\$ 174,514</u>	<u>\$ 124,651</u>
Liabilities and Surplus		
Current Liabilities		
Accounts payable	\$ 34,280	\$ 1,823
Surplus	140,234	122,828
	<u>\$ 174,514</u>	<u>\$ 124,651</u>

Statement of Capital Fund Financial Position

As at June 30, 1985

	1985	1984
Assets		
Fixed Assets — at cost		
Audio-visual equipment	\$ 52,973	\$ 51,242
Other instructional equipment	58,954	58,427
Office furniture and equipment	132,785	75,932
	<u>244,712</u>	<u>185,601</u>
Less accumulated depreciation — Note 1	139,769	113,533
	<u>\$ 104,943</u>	<u>\$ 72,068</u>
Equity in Capital Assets		
Balance, Beginning of Year	\$ 72,068	\$ 73,098
Additions — From operating fund	59,111	17,627
	<u>131,179</u>	<u>90,725</u>
Less — Disposals, at cost .....	.....	3,478
— Adjustments .....	.....	(2,838)
— Provision for depreciation — Note 1	26,236	18,017
	<u>\$ 104,943</u>	<u>\$ 72,068</u>

Cypress Hills Community College

Summary Statement of Revenue and Expenditure

For the Year Ended June 30, 1985

	<i>Un-sponsored Programs</i>	<i>Sponsored Programs</i>	<i>Total 1985</i>	<i>Total 1984</i>
Revenue				
Provincial government	\$ 597,192	\$ 368,863	\$ 966,055	\$ 796,172
Tuition fees	165,538	10,578	176,116	179,819
Sundry	16,707	.....	16,707	24,098
Administration fees	74,885	.....	74,885	61,255
	<u>854,322</u>	<u>379,441</u>	<u>1,233,763</u>	<u>1,061,344</u>
Expenses				
Program direct — Schedule 1	210,940	328,824	539,764	506,673
Program support — Schedule 2	359,000	.....	359,000	358,995
Administration — Schedule 3	258,482	.....	258,482	222,730
	<u>828,422</u>	<u>328,824</u>	<u>1,157,246</u>	<u>1,088,398</u>
Excess of Revenue Over Expenses	25,900	50,617	76,517	(27,054)
Transfer to Capital Fund	14,260	44,851	59,111	20,958
Surplus (Deficit) for the year — Note 3 ...	<u>\$ 11,640</u>	<u>\$ 5,766</u>	17,406	(48,012)
Surplus, beginning of year			122,828	170,840
Surplus, end of year			<u>\$ 140,234</u>	<u>\$ 122,828</u>

Cypress Hills Community College

Notes to Financial Statements

June 30, 1985

1. Significant Accounting Policy

(a) Depreciation is provided on a declining balance basis at a rate of 20% per year.

At June 30, 1985 the capital assets of the Community College were as follows:

	Cost	Accumulated depreciation	Book value
Computer equipment	\$ 42,710	\$ 13,953	\$ 28,757
Office furniture and equipment	46,099	29,928	16,171
Audio-visual aid equipment	52,974	42,361	10,613
Welding equipment	58,954	40,057	18,897
Cost-shared program furnishings	43,975	13,470	30,505
	<u>\$ 244,712</u>	<u>\$ 139,769</u>	<u>\$ 104,943</u>

(b) The operations of the Community College are treated on a 'stewardship' concept rather than concepts based on commercial profit motivation. Consequently operations are not charged with the computed depreciation on capital fund assets. Conversely, however, operating costs are charged with capital expenditure in excess of any grants received for those purposes.

This stewardship approach to reporting on college finances best displays the extent and effectiveness by which the trustees and officers have utilized the college's resources during any given review period. The statements therefore should be read in that light and not from the point of view normally used to assess a commercial business operation.

2. Accounts Receivable

At June 30, 1985 the Community College had the following accounts receivable:

Grants	\$ 90,166
Other	9,804
	<u>\$ 99,970</u>

3. Sponsored Programs

The Community College realized a surplus on sponsored classes during the fiscal year. This was a result of including in the expenses submitted for grant purposes a calculated rent for the use of equipment which was purchased in previous years. This was partially offset by the cost of equipment purchased during the current year for use in sponsored classes.

Cypress Hills Community College

Schedule of Program Direct Expenses

For the Year Ended June 30, 1985

Schedule 1

	Un-sponsored programs	Sponsored programs	Total 1985	Total 1984
Advertising	\$ 19,999	\$ 2,517	\$ 22,516	\$ 33,654
Employee benefits .....	.....	9,991	9,991	8,707
Materials and supplies	8,197	37,111	45,308	27,756
Postage .....	.....	1,681	1,681	807
Rent	19,679	47,139	66,818	91,864
Salaries and wages				
Instructors	71,736	209,708	281,444	210,182
Telephone .....	.....	1,400	1,400	1,833
Travel				
Instructors	14,639	7,310	21,949	25,338
Staff .....	.....	228	228	.....
Sundry .....	.....	530	530	938
Package programs	76,690	11,209	87,899	105,594
	<u>\$ 210,940</u>	<u>\$ 328,824</u>	<u>\$ 539,764</u>	<u>\$ 506,673</u>

Schedule of Program Support Expenses

For the Year Ended June 30, 1985

Schedule 2

	1985	1984
Employee benefits	\$ 22,055	\$ 22,068
Equipment repairs	1,157	542
In-service training — tuition	1,213	1,452
Reference books	1,369	677
Office supplies and sundry	10,007	8,389
Postage	4,910	6,288
Rent	2,018	656
Salaries and wages — staff	275,923	268,045
Telephone	19,343	18,047
Travel — staff	18,440	29,665
Tuition for LCCC staff	2,565	3,166
	<u>\$ 359,000</u>	<u>\$ 358,995</u>

Schedule of Administrative Expenses

For the Year Ended June 30, 1985

Schedule 3

	1985	1984
Board expenses		
Indemnity	\$ 12,519	\$ 9,754
Travel	5,169	5,691
S.C.C.T.A. membership	1,965	1,964
Computer services	1,800	6,223
Dues and subscriptions	660	602
Employee benefits	13,027	10,413
Insurance	1,853	1,890
Legal and audit	3,844	2,835
Office supplies	2,314	3,735
Postage	1,614	2,091
Office and equipment rentals	53,172	37,020
Repairs and maintenance	3,681	2,484
Salaries and wages	144,236	125,456
Telephone	6,449	5,763
Staff travel	6,179	6,809
	<u>\$ 258,482</u>	<u>\$ 222,730</u>

La Ronge Region Community College

Auditor's Report

To the Board of
La Ronge Region Community College:

We have examined the balance sheet of the La Ronge Region Community College as at June 30, 1985 and the statements of revenues, expenditures and fund balance and of changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1985 and the results of its operations and the changes in its fund balances for the year then ended in accordance with accounting policies described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Prince Albert, Saskatchewan,
September 12, 1985

Deloitte, Haskins & Sells
Auditors

Statement of Revenues, Expenditures and Fund Balance

Year Ended June 30, 1985

	1985	1984
Revenue		
Operating grants	\$ 441,000	\$ 420,010
Interest on short-term investments	7,125	16,103
Rental income	56,269	25,972
Sundry income (Note 5)	45,923	48,450
Administrative charges and community support	110,887	85,417
	<u>661,204</u>	<u>595,952</u>
Expenditures		
Administration — Schedule 1	568,734	527,275
Social demand courses — Schedule 1	29,762	.....
Contributions to capital fund — fixed assets	38,309	32,540
— loan principal	.....	13,057
	<u>636,805</u>	<u>572,872</u>
Surplus for the Year	24,399	23,080
Fund Balance, Beginning of Year	53,145	30,065
Prior Year's Expense Recovery	859	.....
Fund Balance, End of Year	<u>\$ 78,403</u>	<u>\$ 53,145</u>

Program Fund

Statement of Revenues, Expenditures and Fund Balance

Year Ended June 30, 1985

	1985	1984
Revenue	\$ 915,936	\$ 506,178
Expenditures		
Program costs		
Advertising	3,930	.....
Insurance (recovery)	495	(2,525)
Janitorial	12,237	5,378
Materials, equipment and agency payments	168,751	151,689
Miscellaneous	2,345	9,912
Rental — classroom	84,254	47,530
— equipment	6,723	3,998
Repairs and setup	14,852	12,955
Salaries and employee benefits	555,731	243,345
Travel and field trips	32,056	15,660
Utilities and telephone	34,562	18,236
	<u>915,936</u>	<u>506,178</u>
Surplus	\$	\$
Fund Balance, End of Year	<u>\$</u>	<u>\$</u>

La Ronge Region Community College

Balance Sheet

June 30, 1985

	1985				1984
	Revenue Fund	Capital Fund	Program Fund	Total	Total
Assets					
Current Assets					
Cash	\$	\$	\$ 58,055	\$ 58,055	\$ 49,599
Accounts receivable ..	21,893	.....	141,698	163,591	66,270
Prepaid expenses	1,143	.....	.....	1,143	5,380
Interfund account	96,402	.....	(96,402)	.....	.....
	119,438	.....	103,351	222,789	121,249
Property and Equipment (Note 2) .....	.....	163,872	.....	163,872	148,372
	<u>\$ 119,438</u>	<u>\$ 163,872</u>	<u>\$ 103,351</u>	<u>\$ 386,661</u>	<u>\$ 269,621</u>
Liabilities					
Current Liabilities					
Bank indebtedness (Note 3)	\$ 18,661	\$	\$	\$ 18,661	\$ 35,138
Accountable advances .....	.....	.....	62,685	62,685	.....
Payables and accruals (Note 4)	22,374	.....	36,455	58,829	9,688
Deferred revenue ....	.....	.....	4,211	4,211	23,278
	41,035	.....	103,351	144,386	68,104
Fund Balance					
Fund Balance	78,403	163,872	.....	242,275	201,517
	<u>\$ 119,438</u>	<u>\$ 163,872</u>	<u>\$ 103,351</u>	<u>\$ 386,661</u>	<u>\$ 269,621</u>

Statement of Changes in Fund Balances

Year Ended June 30, 1985

	1985				1984
	Revenue Fund	Capital Fund	Program Fund	Total	Total
Fund Balance, Beginning of Year	\$ 53,145	\$ 148,372	\$	\$ 201,517	\$ 154,573
Surplus for the Year	24,399	.....	.....	24,399	23,080
Prior Years Expense					
Recovery	859	.....	.....	859	.....
Depreciation .....	.....	(22,809)	.....	(22,809)	(21,733)
Contributions from Revenue Fund					
Fixed assets .....	.....	38,309	.....	38,309	32,540
Loan principal .....	.....	.....	.....	.....	13,057
Fund Balance, End of Year	<u>\$ 78,403</u>	<u>\$ 163,872</u>	<u>\$</u>	<u>\$ 242,275</u>	<u>\$ 201,517</u>

La Ronge Region Community College

Notes to the Financial Statements

June 30, 1985

1. Significant Accounting Policies

The significant accounting policies used by the college are:

Fund Accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system, to segregate the transactions of a particular activity. These funds are:

a) Revenue Fund

The revenue fund contains the current revenue, expenditures, assets and liabilities pertaining to the general operations of the college. Included in revenue fund expenditures are transfers to the capital fund for purchase of capital assets.

b) Capital Fund

The capital fund contains the capital assets which are property and equipment and the equity in capital fund assets.

Purchases of property and equipment are financed either by transfers from the revenue fund or from capital loans. Depreciation is calculated annually and decreases the net book value of the assets and the capital fund balance.

c) Program Fund

The program fund contains the current revenues and expenditures relating to the operation of specific program courses. As the expenditures of these program courses are fully recovered there is no surplus or deficit generated.

Equipment purchased for approved programs is expensed in the Program Fund. These purchases are not capitalized or depreciated.

2. Property and Equipment

	Cost	Accumulated Depreciation	Net Book Value	Depreciation Rates
Buildings and trailers	\$ 225,831	\$ 136,934	\$ 88,897	5% & 15%
Equipment	115,945	90,065	25,880	20%
Furniture and fixtures	27,626	24,993	2,633	20%
Automotive equipment	33,414	23,613	9,801	33-1/3%
Library books	4,762	4,762	.....	20%
	407,578	280,367	127,211	
Land	36,661	.....	36,661	
	<u>\$ 444,239</u>	<u>\$ 280,367</u>	<u>\$ 163,872</u>	

3. Bank Indebtedness

The bank indebtedness of the Revenue Fund consists of cheques issued in excess of bank balances. This indebtedness is not specifically secured.

4. Payable and Accruals — Revenue Fund

	1985	1984
Trade payables	\$ 15,174	\$ 3,988
Accrued liabilities	7,200	5,600
	<u>\$ 22,374</u>	<u>\$ 9,588</u>

5. Sundry Income

	1985	1984
Proceeds from disposal of equipment	\$ 3,400	\$ 4,660
Other funds — Pilot course .....	.....	11,321
Boardman Street Property — net .....	.....	920
Student fees — unsponsored programs	14,653	17,682
Sundry	27,870	13,867
	<u>\$ 45,923</u>	<u>\$ 48,450</u>

La Ronge Region Community College

Schedule of Expenditures — Revenue Fund

Year Ended June 30, 1985

	1985	1984
Administration Expenses		
Advertising	\$ 6,022	\$ 6,092
Automotive repairs and supplies	6,725	5,723
Bank charges and interest	877	680
Board expenses — indemnity	15,609	13,425
— travel	15,674	17,810
— association fees	3,411	2,621
Building repairs and maintenance	31,806	22,476
Community contracts	30,610	47,121
Employee benefits	33,153	38,218
Insurance	11,721	14,770
Machine rental and repair	13,209	10,281
Office supplies	15,973	8,527
Professional fees	13,236	6,750
Rent on buildings and property taxes	26,147	34,137
Salaries and wages	279,539	232,100
Staff training and development	3,612	3,284
Sundry .....	.....	1,570
Telephone and utilities	37,871	33,933
Travel	23,539	27,757
	<u>\$ 568,734</u>	<u>\$ 527,275</u>
Social Demand Course Costs		
Community interest programs	\$ 29,141	\$
Indian Band Project	1,584	.....
Social studies curriculum	(963)	.....
	<u>\$ 29,762</u>	<u>\$</u>

Mistikwa Community College

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have examined the balance sheets of Mistikwa Community College as at June 30, 1985, the statements of operations, changes in fund balances and surplus and equity in capital fund assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1985 and the results of its operations for the year then ended in accordance with the accounting principles described in Note 1 applied on a basis consistent with that of the preceding year.

North Battleford, Saskatchewan,
July 25, 1985.

Beggs, Downie, Meena, Johnson & Gress
Chartered Accountants.

Revenue Fund Balance Sheet

June 30, 1985

	1985	1984
Assets		
Current		
Cash	\$ 35,211	\$ 56,724
Accounts receivable	89,384	23,355
Prepaid expenses	8,167	7,702
	<u>\$ 132,762</u>	<u>\$ 87,781</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 5,716	\$ 7,774
Due to capital fund	28,832	22,383
	<u>34,548</u>	<u>30,157</u>
Surplus		
Surplus	98,214	57,624
	<u>\$ 132,762</u>	<u>\$ 87,781</u>

Capital Fund Balance Sheet

June 30, 1985

	1985	1984
Assets		
Due from revenue fund	\$ 28,832	\$ 22,383
Equipment (Note 2)	114,908	104,430
	<u>\$ 143,740</u>	<u>\$ 126,813</u>
Equity in Capital Fund Assets		
Investment in capital assets	\$ 143,740	\$ 126,813
Statement of Equity in Capital Fund Assets		
Balance beginning of year	\$ 126,813	\$ 145,414
Loss on disposal of assets	(10,047)	(18,601)
Capital additions	26,974	.....
	<u>\$ 143,740</u>	<u>\$ 126,813</u>

Mistikwa Community College

Statement of Operations and Surplus

for the year ended June 30, 1985

	General Operating	Sponsored Program	1985 Total	1984 Total
Revenue				
Flat grants	\$ 517,848	\$	\$ 517,848	\$ 481,733
Tuition fees	154,035	.....	154,035	119,255
Department of Financial Services rental	5,193	.....	5,193	5,069
Equipment rental	4,917	.....	4,917	.....
Interest and dividends	6,019	.....	6,019	7,250
Sponsored programs				
Administration	86,523	.....	86,523	57,077
Program direct .....	.....	558,692	558,692	300,535
N.S.I.M. support .....	.....	66,373	66,373	86,672
Other	11,824	.....	11,824	1,738
	<u>786,359</u>	<u>625,065</u>	<u>1,411,424</u>	<u>1,059,329</u>
Expenditures				
Administration (Schedule 1)	234,218	.....	234,218	265,126
Program direct (Schedule 2)	173,858	.....	173,858	135,676
Program support (Schedule 3)	337,693	.....	337,693	255,038
Sponsored programs				
Program direct (Schedule 4) .....	.....	558,692	558,692	295,995
N.S.I.M. support (Schedule 5) .....	.....	66,373	66,373	90,257
	<u>745,769</u>	<u>625,065</u>	<u>1,370,834</u>	<u>1,042,092</u>
Surplus for the Year	\$ 40,590	\$	40,590	17,237
Surplus at Beginning of Year			57,624	40,387
Surplus at End of Year			<u>\$ 98,214</u>	<u>\$ 57,624</u>

Statement of Changes in Fund Balances

For the Year Ended June 30, 1985

	Revenue Fund		Capital Fund	
	1985	1984	1985	1984
Source of Funds				
Current fund revenues	\$ 1,411,424	\$ 1,059,329	\$	\$
Transfer from revenue fund .....	.....	.....	26,974	.....
Proceeds from disposal of equipment ..	.....	.....	6,449	22,831
	<u>1,411,424</u>	<u>1,059,329</u>	<u>33,423</u>	<u>22,831</u>
Application of Funds				
Current fund expenditures	1,370,834	1,042,092	.....	.....
Equipment additions .....	.....	.....	26,974	780
	<u>1,370,834</u>	<u>1,042,092</u>	<u>26,974</u>	<u>780</u>
Increase in Funds	40,590	17,237	6,449	22,051
Funds at Beginning of Year	57,624	40,387	22,383	332
Funds at End of Year	<u>\$ 98,214</u>	<u>\$ 57,624</u>	<u>\$ 28,832</u>	<u>\$ 22,383</u>
Summary of Funds				
Current assets	\$ 132,762	\$ 87,781	\$ 28,832	\$ 22,383
Deduct current liabilities	34,548	30,157	.....	.....
Funds at End of Year	<u>\$ 98,214</u>	<u>\$ 57,624</u>	<u>\$ 28,832</u>	<u>\$ 22,383</u>

Mistikwa Community College

Notes to Financial Statements

June 30, 1985

1. Summary of Significant Accounting Policies

The college has adopted the fund accounting method to record the results of operations and the acquisition and financing of fixed assets. Significant aspects of this method are as follows:

a) Fixed Assets

Fixed Assets are recorded in the capital fund at cost, with no provision for depreciation. The revenue fund expenditures are charged with capital expenditures in excess of any grants received for that purpose.

b) Inter-Fund Advances

Throughout the year advances are made between funds. These advances have no repayment terms nor provision for interest.

c) Compensated Absences

The cost of employee vacation entitlements and earned days off are recorded as an expense in the year that they are paid to the employee.

2. Fixed Assets

	1985	1984
Office furniture and equipment	\$ 36,372	\$ 51,347
Instructional equipment	78,536	53,083
	<u>\$ 114,908</u>	<u>\$ 104,430</u>

3. Comparative Figures

Certain figures from the prior year have been reclassified to conform to current year's presentation.

4. Contingent Liability

The collective agreement between the College and its Union expired June 30, 1984. No provision has been made in these financial statements for any retro-active salary increases relating to the current year which may become payable.

Mistikwa Community College

Schedule of Expenditures

for the year ended June 30, 1985

Schedule 1

	1985	1984
Administration		
Board expenses		
Public relations	\$ 407	\$ 270
Travel	5,523	6,005
Honoraria	10,490	11,175
Memberships	3,237	3,508
Professional development	292	140
	<u>19,949</u>	<u>21,098</u>
Unallocated costs		
Reference books and manuals	421	953
In-service training	1,034	2,212
Other	75	.....
	<u>1,530</u>	<u>3,165</u>
Office expenses		
Bank charges and interest	2,333	451
Dues and subscriptions	418	629
Insurance	1,949	472
Postage	1,735	1,811
Supplies and stationery	1,904	1,681
Telephone	3,579	2,725
Cartage	113	67
	<u>12,031</u>	<u>7,836</u>
Professional services		
Audit	5,531	3,400
Legal	150	904
Computer	8,694	8,097
	<u>14,375</u>	<u>12,401</u>
Rentals		
Building	38,730	38,730
Office equipment	5,504	5,708
Automobile	1,130	6,905
	<u>45,364</u>	<u>51,343</u>
Repairs and maintenance		
Building	6,498	5,082
Office equipment	3,179	1,998
	<u>9,677</u>	<u>7,080</u>
Salaries and employee benefits		
Administration officers	61,765	97,601
Clerical	53,018	51,066
Employee benefits	11,938	9,970
	<u>126,721</u>	<u>158,637</u>
Other administration expenses		
Travel	4,571	3,566
Total administration expenses	<u>\$ 234,218</u>	<u>\$ 265,126</u>

Mistikwa Community College

Schedule of Expenditures

for the year ended June 30, 1985

Schedule 2

	1985	1984
Program direct		
Course cost		
Advertising	\$ 10,758	\$ 6,720
Agency payments	43,123	35,291
Instructional supplies	6,511	4,054
Other course costs	935	.....
	<u>61,327</u>	<u>46,065</u>
Rentals		
Facility	20,266	17,184
Educational equipment	3,778	3,760
	<u>24,044</u>	<u>20,944</u>
Repairs and maintenance		
Instructional equipment	876	.....
Salaries and employee benefits		
Instructional	66,073	56,884
Janitorial	1,625	2,417
Employee benefits	991	832
	<u>68,689</u>	<u>60,133</u>
Other program direct expenses		
Travel and conference	11,440	8,534
Fee refunds	6,807	.....
Supplies for resale	675	.....
	<u>18,922</u>	<u>8,534</u>
Total Program Direct Expenses	\$ 173,858	\$ 135,676

Mistikwa Community College

Schedule of Expenditures

for the year ended June 30, 1985

Schedule 3

	1985	1984
Program support		
Course costs		
Advertising and public relations	\$ 1,454	\$ 578
Agency payments	41,325	28,937
Reference and library books	2,698	.....
Instructional supplies	5,066	.....
	<u>50,543</u>	<u>29,515</u>
Office expenses		
Dues and subscriptions	282	.....
Insurance	434	.....
Postage	5,830	5,434
Supplies and stationery	5,855	5,028
Telephone	15,066	11,115
Cartage	33	.....
	<u>27,500</u>	<u>21,577</u>
Rentals		
Building	6,180	3,120
Automobile	4,901	.....
Other rentals	187	.....
	<u>11,268</u>	<u>3,120</u>
Repairs and maintenance		
Building	1,568	496
Office equipment	56	536
Vehicles	969	.....
	<u>2,593</u>	<u>1,032</u>
Salaries and employee benefits		
Support staff	128,838	128,075
Clerical	60,659	44,281
Employee benefits	18,732	18,527
	<u>208,229</u>	<u>190,883</u>
Other program support expenses		
Travel and conference	7,385	7,533
In-service training	2,679	977
Capital expenditures	26,974	.....
Other	522	401
	<u>37,560</u>	<u>8,911</u>
Total Program Support Expenses	<u>\$ 337,693</u>	<u>\$ 255,038</u>

Mistikwa Community College

Schedule of Expenditures

For the Year Ended June 30, 1985

Schedule 4

	N.S.I.M.	C.E.I.C.	S.S.D.P.	S.S.E.P.	1985 Total	1984 Total
Sponsored Program Direct						
Course costs						
Advertising	\$ 61	\$ 179	\$	\$ 657	\$ 897	\$ 564
Instructional supplies	26,207	7,241	4,148	27,957	65,553	61,531
	<u>26,268</u>	<u>7,420</u>	<u>4,148</u>	<u>28,614</u>	<u>66,450</u>	<u>62,095</u>
Rentals						
Facility	32,923	21,227	8,104	12,386	74,640	41,731
Educational equipment	5,903	.....	550	.....	6,453	120
	<u>38,826</u>	<u>21,227</u>	<u>8,654</u>	<u>12,386</u>	<u>81,093</u>	<u>41,851</u>
Salaries and employee benefits						
Instructional	225,452	102,244	53,389	5,022	386,107	178,248
Janitorial	131	.....	.....	.....	131	150
Employee benefits ..	10,327	4,780	2,298	204	17,609	8,248
	<u>235,910</u>	<u>107,024</u>	<u>55,687</u>	<u>5,226</u>	<u>403,847</u>	<u>186,646</u>
Other program direct expenses						
Travel and conference	5,418	1,227	513	144	7,302	5,403
Total sponsored Program Direct Expenses	<u>\$ 306,422</u>	<u>\$ 136,898</u>	<u>\$ 69,002</u>	<u>\$ 46,370</u>	<u>\$ 558,692</u>	<u>\$ 295,995</u>

Schedule of Expenditures

for the year ended June 30, 1985

Schedule 5

	1985	1984
N.S.I.M. Support		
Office expenses		
Supplies and stationery	\$ 5,191	\$ 14,727
Salaries and employee benefits		
Support staff	44,186	42,133
Employee benefits	4,988	3,493
	<u>49,174</u>	<u>45,626</u>
Other program support expenses		
Travel and conference	9,587	9,643
In-service training	485	575
C.N.A.C. meetings	1,936	19,686
	<u>12,008</u>	<u>29,904</u>
Total N.S.I.M. Support Expenses	<u>\$ 66,373</u>	<u>\$ 90,257</u>

North East Community College

Auditor's Report

To the Board of
North East Community College:

We have examined the balance sheet of the North East Community College as at June 30, 1985 and the statements of revenue and expenditures and of fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting policies described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Prince Albert, Saskatchewan,
November 8, 1985.

Deloitte, Haskins & Sells
Auditors

Statement of Revenue and Expenditures — Revenue Fund

Year Ended June 30, 1985

	1985	1984
Revenue		
Operating grants	\$ 313,860	\$ 298,910
Community support grants	85,722	78,192
Interest on short-term investments	3,667	5,641
Rental income	9,105	7,965
Resale items	8,038	3,021
Tuition fees — social demand	14,178	6,956
— other .....	.....	307
Other (Note 5)	31,303	4,001
	<u>465,873</u>	<u>404,993</u>
Expenditures		
Administration — Schedule 1	412,862	263,771
Social demand courses — Schedule 2	19,034	30,873
Contributions to capital fund		
Property and equipment	56,542	18,374
Reduction of capital loan principal payable	5,885	1,467
	<u>494,323</u>	<u>314,485</u>
Excess of Expenditures over Revenue	\$ (28,450)	\$ 90,508

North East Community College

Statement of Revenue and Expenditures — Program Fund

Year Ended June 30, 1985

	1985	1984
Revenue, Grants	\$ 651,187	\$ 505,561
Expenditures		
Advertising	7,462	4,547
Agency payments	44,018	47,526
Building rental	26,251	12,870
Capital expenditures	8,703	41,046
Classroom set-up .....	.....	1,887
Dues and subscriptions	1,348	791
Employee benefits	12,081	8,348
Equipment rental	11,647	12,639
Field trips	2,519	5,185
Insurance	3,260	1,093
Instructional materials and supplies	102,743	59,738
Repairs and maintenance	32,337	24,617
Salaries	344,961	249,077
Sundry .....	.....	979
Telecommunications	9,494	7,465
Trainee travel and accommodation	6,993	718
Travel and conferences	20,994	14,574
Utilities	16,376	12,461
	651,187	505,561
Excess of Revenue over Expenditures	\$	\$

Statement of Fund Balances

Year Ended June 30, 1985

	1985	1984
Revenue Fund		
Unappropriated Fund Balance		
Fund Balance, Beginning of Year	\$ 60,381	\$ 19,873
Excess of Expenditures over Revenue	(28,450)	90,508
Transfer from (to) Appropriated Fund Balance	50,000	(50,000)
Fund Balance, End of Year	\$ 81,931	\$ 60,381
Appropriated Fund Balance		
Fund Balance, Beginning of Year	\$ 50,000	\$
Transfer from (to) Unappropriated Fund Balance	(50,000)	50,000
Fund Balance, End of Year	\$	\$ 50,000
Capital Fund		
Fund Balance, Beginning of Year	\$ 24,134	\$ 27,738
Contributions from Revenue Fund	62,427	19,841
	86,561	47,579
Depreciation on Property and Equipment	25,723	22,223
Loss on Disposal of Equipment .....	.....	1,222
	25,723	23,445
Fund Balance, End of Year	\$ 60,838	\$ 24,134

North East Community College

Balance Sheet

June 30, 1985

	1985		1984	
	Revenue Fund	Capital Fund	Total	Total
Assets				
Current Assets				
Cash	\$ 11,455	\$	\$ 11,455	\$ 112,179
Accounts receivable	102,231	.....	102,231	52,480
Prepaid expenses	80	.....	80	523
	113,766	.....	113,766	165,182
Property and Equipment (Note 2) .....	.....	138,486	138,486	107,667
	<u>\$ 113,766</u>	<u>\$ 138,486</u>	<u>\$ 252,252</u>	<u>\$ 272,849</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 31,530	\$	\$ 31,530	\$ 54,317
Deposits	305	.....	305	484
	31,835	.....	31,835	54,801
Due to Department of Advanced Education and Manpower (Note 3) .....	.....	37,500	37,500	37,500
Mortgage Payable (Note 4) .....	.....	40,148	40,148	46,033
	31,835	77,648	109,483	138,334
Fund Balance				
Appropriated Fund Balance .....	.....	.....	.....	50,000
Unappropriated Fund Balance	81,931	60,838	142,769	84,515
	81,931	60,838	142,769	134,515
	<u>\$ 113,766</u>	<u>\$ 138,486</u>	<u>\$ 252,252</u>	<u>\$ 272,849</u>

North East Community College

Notes to the Financial Statements

June 30, 1985

1. Significant Accounting Policies

The significant accounting policies used by the college are:

Fund Accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system to segregate the transactions of a particular activity. These funds are:

a) Revenue Fund

The revenue fund contains the current revenue, expenditures, assets and liabilities pertaining to the general operations of the college. Included in revenue fund expenditures are transfers to the capital fund for purchase of capital assets and principal repayments on capital loans.

b) Capital Fund

The capital fund contains the property and equipment, the capital loans payable and the equity in capital fund assets.

c) Program Fund

The program fund contains the current revenue and expenditures relating to the operation of specific program courses. As the expenditures of these program courses are fully recovered there is no surplus or deficit.

Property and Equipment — Capital Fund

The building has been purchased with mortgage funds and funds from the Department of Advanced Education and Manpower. The repayment of the capital debt and the purchase of equipment is expensed in the revenue fund. Building and equipment are recorded at cost in the capital fund and are depreciated on the straight-line basis.

2. Property and Equipment

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	<i>Depreciation Rates</i>
Building	\$ 119,725	\$ 10,736	\$ 108,989	20 years
Equipment	8,403	6,516	1,887	5 years
Furniture and Equipment	16,208	7,895	8,313	5 years
Automotive	44,443	25,146	19,297	3 years
	<u>\$ 188,779</u>	<u>\$ 50,293</u>	<u>\$ 138,486</u>	

3. Due to Department of Northern Advanced Education and Manpower

The \$37,500 advanced by the Department of Advanced Education and Manpower is repayable in annual principal payments of \$7,500. No interest is payable on this debt and the debt is secured by a lodgement of title to the land on which the building is located.

Principal amounts due in each of the next three years are as follows:

1986	\$22,500
1987	\$ 7,500
1988	\$ 7,500

4. Mortgage Payable

	<i>1985</i>	<i>1984</i>
Mortgage payable, prime plus 2%, repayable in monthly instalments of \$1,000 blended principal and interest, secured by a mortgage on a building and assignment of accounts receivable	<u>\$ 40,148</u>	<u>\$ 46,033</u>

Principal amounts due in each of the next five years are as follows:

1986	\$ 7,591
1987	\$ 8,553
1988	\$ 9,638
1989	\$10,861
1990	\$ 3,505

5. Other Revenue

	<i>1985</i>	<i>1984</i>
Gain on disposal of assets	\$ 12,893	\$
Project grants	8,940	.....
Other Revenue	9,470	4,001
	<u>\$ 31,303</u>	<u>\$ 4,001</u>

North East Community College

Schedule of Administrative Expenditures

Year Ended June 30, 1985

Schedule 1

	1985	1984
Administrative Expenditures		
Advertising	\$ 8,417	\$ 1,132
Bank charges and interest	4,921	4,356
Board expenses — indemnity	19,205	13,329
— travel	18,336	14,626
— other	618	.....
Conferences and travel	24,021	18,270
Dues and subscriptions	2,965	1,626
Employee benefits	24,573	10,375
Freight	934	505
Insurance	1,840	2,836
Miscellaneous expense	1,330	760
Office	2,887	2,574
Professional services	18,010	9,838
Property taxes	1,596	1,015
Rental expense	13,870	4,174
Repairs and maintenance	4,540	2,411
Salaries	236,590	151,202
Staff housing	76	.....
Staff training and development	2,245	100
Supplies and stationery	5,355	7,072
Telephone	15,365	8,537
Utilities	1,596	2,069
Vehicle expense	3,572	6,964
	<u>\$ 412,862</u>	<u>\$ 263,771</u>

Schedule of Social Demand Course Expenditures

Year Ended June 30, 1985

Schedule 2

	1985	1984
Social Demand Course Expenditures		
Agency payments	\$ 7,576	\$
Contact committees .....	.....	120
Social demand	11,458	30,753
	<u>\$ 19,034</u>	<u>\$ 30,873</u>

Parkland Community College

Auditor's Report

The Members of the Board
Parkland Community College
Melville, Saskatchewan.

We have examined the operating fund balance sheet and the capital fund balance sheet of the Parkland Community College as at June 30, 1985 and the statements of capital financing and revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Parkland Community College as at June 30, 1985 and the results of its operations and capital financing for the year then ended, in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Melville, Saskatchewan,
October 8, 1985.

Skilnick & Partners
Chartered Accountants

Operating Fund Balance Sheet

As at June 30, 1985.

Statement 1

	1985	1984
Assets		
Current Assets		
Cash on hand and in banks	\$ 276	\$ 240
Term deposits	50,000	110,000
Advance to Yorkton Regional High School — (Note 2)	51,914	154,985
Accounts receivable — (Note 3)		
— Cost shared program grants	231,492	196,849
— General and other	7,199	5,769
Prepaid expense	4,099	6,101
	<u>344,980</u>	<u>473,944</u>
Long Term Investments		
Credit Union shares — at cost	15	30
	<u>\$ 344,995</u>	<u>\$ 473,974</u>
Liabilities, Reserves and Surplus		
Current Liabilities		
Bank overdraft — current account — (Note 3)	\$ 32,456	\$ 85,074
General accounts payable	128,859	153,275
	<u>161,315</u>	<u>238,349</u>
Operating Surplus Account — (Notes 1, 2, 4 & 5)		
Balance, June 30	235,625	221,135
(Deficit) Surplus for the year	(51,945)	14,490
Balance, June 30	<u>183,680</u>	<u>235,625</u>
	<u>\$ 344,995</u>	<u>\$ 473,974</u>

See accompanying notes

Parkland Community College

Capital Fund Balance Sheet

As at June 30, 1985

Statement 2

	1985	1984
Assets		
Fixed Assets — at cost		
Audio visual equipment	\$ 37,002	\$ 37,002
Other instructional equipment	29,694	21,665
Office furniture and equipment	33,578	26,449
Automobiles	43,987	43,987
Leasehold improvements	76,855	76,855
	<u>221,116</u>	<u>205,958</u>
Less:		
Accumulated depreciation — Schedule 5	98,098	84,190
Accumulated amortization — Schedule 5	48,771	41,750
	<u>146,869</u>	<u>125,940</u>
	<u>\$ 74,247</u>	<u>\$ 80,018</u>
Other Assets		
Deposit on leasehold improvement	5,000	.....
	<u>79,247</u>	<u>80,018</u>
Investment — In Capital Assets		
Balance, June 30	\$ 80,018	\$ 92,151
Add: Contributions		
Flat Grant Program Direct — Schedule 1	13,029	282
Flat Grant Program Support — Schedule 2 .....	.....	9,163
Administration — Schedule 4	7,129	1,806
	<u>20,158</u>	<u>11,251</u>
Less: Depreciation — Schedule 5	13,908	14,608
Amortization — Schedule 5	7,021	8,776
	<u>20,929</u>	<u>23,384</u>
Balance, June 30 — (Note 1)	<u>\$ 79,247</u>	<u>\$ 80,018</u>

See accompanying notes

Statement of Capital Financing

For the Year Ended June 30, 1985.

Statement 3

	1985	1984
Sources of Capital Funds		
Proceeds from sale of assets — Automobiles	\$	\$ 3,720
Contributions from revenue		
Flat Grant Program Direct — Schedule 1	13,029	282
Flat Grant Program Support — Schedule 2 .....	.....	9,163
Administration — Schedule 4	7,129	1,806
	<u>20,158</u>	<u>14,971</u>
Application of Capital Funds		
Expended on fixed assets — Schedule 5		
Audio visual equipment .....	.....	282
Other instructional equipment	8,029	.....
Office furniture and equipment	7,129	1,806
Automobiles .....	.....	10,020
Leasehold improvements .....	.....	2,863
Other (Note 5)		
Deposit on leasehold improvement	5,000	.....
	<u>20,158</u>	<u>14,971</u>
Unapplied Current Year Capital Funds	<u>\$</u>	<u>\$</u>

See accompanying notes

Parkland Community College

Operating Fund

Statement of Revenue and Expenditure

For the Year Ended June 30, 1985

Statement 4

	1985	1984
Revenue		
Grants		
Department of Continuing Education		
Operating	\$ 655,620	\$ 609,298
Cost shared programs	607,154	407,835
Yorkton Regional High School — (Note 2)	676,316	619,787
Field staff and other	9,439	10,487
Tuition Fees		
Community College programs	90,106	109,429
Yorkton Regional High School	29,962	34,961
University	65,193	73,907
Other		
Interest	11,174	11,042
Recoveries and other	12,355	2,414
Excise tax — rebate	426	457
Rentals	2,467	.....
	2,160,212	1,879,617
Yorkton Regional High School		
Program (deficit) surplus — (Note 2)	(103,071)	42,888
	2,057,141	1,922,505
Expenditure		
Flat Grant		
Program direct — Schedule 1	335,357	372,994
Program support — Schedule 2	424,233	407,866
Cost shared — Schedule 3	1,283,470	1,027,622
Administration — Schedule 4	66,026	99,533
	2,109,086	1,908,015
(Deficit) Surplus for the Year	\$ (51,945)	\$ 14,490
See accompanying notes		

Notes to Financial Statements

June 30, 1985.

1. Accounting Policies

The College utilizes fund accounting and revenue and expenditure classifications as prescribed by the Department of Advanced Education and Manpower, Province of Saskatchewan. Utilization of fund accounting results in fixed asset and leasehold improvement additions being charged to current expenditures as contributions to the Capital Fund. Depreciation of fixed assets and amortization of leasehold improvements are charged against the investment in capital assets account using the diminishing balance method at the following rates:

Audio Visual Equipment	20%
Other Instructional Equipment	20%
Office Furniture and Equipment	20%
Automobiles	30%
Leasehold Improvements	20%

The College does not capitalize minor fixed assets and leasehold improvement acquisitions costing less than \$200.

Parkland Community College

Notes to Financial Statements — (Concluded)

2. Adult Education Agreement

The College and Yorkton Regional High School are parties to an agreement covering the provision of adult education classes through the facilities of the school. Terms of the agreement provide that course program and administration is the responsibility of the school. Financial responsibility for the program offered is provided by the College supported by funding from the Department of Advanced Education and Manpower. Under terms of the agreement deficits are the responsibility of the College.

Summarized results of operations for the current and prior year are set out below:

	1985	1984
Grants earned from Department of Advanced Education and Manpower	676,316	619,787
Less: Net expenditures by Yorkton Regional High School	779,387	576,899
(Deficit) Surplus for the year — Statement 4	(103,071)	42,888

3. Line of Credit Agreement

The College has an established line of credit up to \$100,000 with the Royal Bank of Canada, Melville, Saskatchewan. Security for advances under the agreement consists of an assignment of grant proceeds due from the Department of Advanced Education and Manpower.

4. Lease Agreements

The College is obligated under the following lease agreements.

Instructional Facilities:

- Central School, Fort Qu'Appelle, Saskatchewan under a ten year lease expiring May 31, 1988.
- Burke School, Yorkton, Saskatchewan under a five year lease expiring December 31, 1987.

The above agreements cover use of school buildings and grounds with annual rental at \$1. for each school. Terms provide for the College to pay annual operating costs and to be responsible for minor renovations. Each of the agreements contains an option to renew at the end of the initial lease term.

Offices:

- Administration office in the Professional Building on Main Street in Melville, Saskatchewan under a two year lease expiring May 31, 1987. Terms of the lease provide for monthly rental of \$1,349.
- Branch office, Kamsack, Saskatchewan located in Kamsack Administration Building, without a formal lease. The facilities are presently rented at \$204. per month.
- Branch office, Esterhazy, Saskatchewan without a formal lease at a present monthly rental of \$220.
- Branch office, Canora, Saskatchewan, located in the Canora Mall under a three year lease expiring January 31, 1987. Terms of the lease provide for monthly rental of \$215.
- Branch office, Ituna, Saskatchewan, without a formal lease at a present monthly rental of \$105.
- Branch Office, Invermay, Saskatchewan, without a formal lease for monthly rental of \$85.
- Branch Office, Neudorf, Saskatchewan, without a formal lease for monthly rental of \$50.
- Branch office, Sturgis, Saskatchewan, without a formal lease for annual rental of \$360.

Equipment:

- Xerox Canada covering a photocopier under a lease purchase agreement. The agreement calls for 36 monthly payments of \$124, with the last payment due in May 1986. The agreement contains an option to purchase the photocopier for \$899 at the end of the lease period.
- Xerox Canada covering a photocopier leased until July 1, 1989. Terms of the lease call for rental payments of \$2,052 each three months.
- Educom — covering micro choices computer programs under a three year lease. Terms of the lease call the first annual payment of \$1,318. on October 1, 1984. The second and third payments each for \$935. fall due October 1, 1985 and October 1, 1986.

5. Other Obligations

Prior to June 30, 1985 the College entered into a commitment with the Town of Fort Qu'Appelle for the replacement of windows at Central School. The estimated cost of the project is \$37,500. with each party contributing \$18,750.

The College has advanced \$5,000 towards the cost of the improvement with the project expected to commence and be completed in the 1985-86 fiscal year. The College share is to be funded \$5,000. in 1984-85; \$5,000 in 1985-86 with the balance due in 1986-87.

Parkland Community College

Schedule of Flat Grant Program — Direct Expenditure

For the Year Ended June 30, 1985

Schedule 1

	1985	1984
Personal Services		
Instructors fees	\$ 80,062	\$ 89,574
Employee benefits	1,810	2,274
	<u>81,872</u>	<u>91,848</u>
Travel	<u>21,253</u>	<u>29,937</u>
Contractual Services		
Agency payments	110,409	147,803
Rent of facilities	19,528	54,096
Advertising	27,726	22,547
Training program	2,077	10,067
Repairs and rent of educational equipment	966	664
Freight	433	517
Learning Centres	15,417	13,887
Personnel enrichment	41,182	.....
	<u>217,738</u>	<u>249,581</u>
Materials and Supplies		
Instructional supplies	<u>1,465</u>	<u>1,346</u>
Contribution to Capital Fund		
Audio visual equipment .....	.....	282
Other instructional equipment	8,029	.....
Deposit on leasehold improvement	5,000	.....
Total contribution — Statements 2 and 3	<u>13,029</u>	<u>282</u>
Total Expenditure — Statement 4	<u>\$ 335,357</u>	<u>\$ 372,994</u>

Schedule of Flat Grant Program — Support Expenditure

For the Year Ended June 30, 1985

Schedule 2

	1985	1984
Personal Services		
Salaries	\$ 311,211	\$ 289,887
Employee benefits	27,079	29,183
	<u>338,290</u>	<u>319,070</u>
Travel and Vehicle Repairs	<u>25,673</u>	<u>20,496</u>
Contractual Services		
Rent of facilities	13,296	13,104
Training program	2,154	3,403
Postage	7,357	7,451
Telephone	23,748	22,491
Other	431	.....
	<u>46,986</u>	<u>46,449</u>
Material and Supplies		
Stationery and supplies	<u>13,284</u>	<u>12,688</u>
Contribution to Capital Fund		
Leasehold improvements .....	.....	2,863
Automobiles .....	.....	6,300
Total contributions — Statements 2 and 3	<u>.....</u>	<u>9,163</u>
Total Expenditure — Statement 4	<u>\$ 424,233</u>	<u>\$ 407,866</u>

Parkland Community College

Schedule of Cost Shared Program Expenditure

For the Year Ended June 30, 1985

Schedule 3

	1985	1984
Personal Services		
Instructors fees	\$ 285,503	\$ 152,492
Employee benefits	13,925	6,683
	299,428	159,175
Travel	24,608	16,571
Contractual Services		
Packaged programs — (Note 2)	676,316	619,787
Rent of classroom facilities	36,799	25,065
Instructional supplies	61,416	78,374
Rent of educational equipment	.....	3,625
Advertising	887	2,803
Repairs of educational equipment	154	363
Utilities	6,378	5,453
Postage, telephone and sundry	7,252	5,217
	789,202	740,687
Allocation of Administration Expense		
Schedule 4	170,232	111,189
Total Expenditure — Statement 4	\$ 1,283,470	\$ 1,027,622

Schedule of Administration Expenditure

For the Year Ended June 30, 1985.

Schedule 4

	1985	1984
Personal Services		
Salaries	\$ 115,982	\$ 106,967
Indemnity to board members	11,415	7,680
Employee benefits	13,097	12,368
Community College Association dues	2,910	2,320
Janitor	2,640	2,600
	146,044	131,935
Travel		
Employees	3,883	3,913
Board members	10,655	11,432
Auto repairs, licenses and insurance	810	769
	15,348	16,114
Contractual Services		
Audit and legal fees	5,500	4,875
Training program	1,225	192
Office rent	15,836	15,836
Office equipment rentals	13,175	8,951
Insurance	3,010	3,070
Minor office equipment, subscriptions and other	5,640	3,925
Postage	2,452	2,484
Telephone	7,916	7,497
Repairs and maintenance	3,923	4,599
Utilities	3,807	3,270
Bank charges and interest	825	1,939
	63,309	56,638
Materials and Supplies		
Stationery and supplies	4,428	4,229
Contribution to Capital Fund		
Office furniture and equipment	7,129	1,806
Total contributions — Statements 2 and 3	7,129	1,806
Total Administration Expenditure	236,258	210,722
Less: Allocation to cost shared program — Schedule 3	170,232	111,189
Total Expenditure — Statement 4	\$ 66,026	\$ 99,533

Parkland Community College

Schedule of Fixed Assets and Depreciations

For the Year Ended June 30, 1985

Schedule 5

	Cost	Depreciation	Book Value
Audio Visual Equipment			
Balance, June 30, 1984	\$ 37,002	\$ 29,272	\$ 7,730
Current depreciation — 20% .....	.....	1,546	1,546
Balance, June 30, 1985	37,002	30,818	6,184
Other Instructional Equipment			
Balance, June 30, 1984	21,665	9,683	11,982
Current additions	8,029	.....	8,029
	29,694	9,683	20,011
Current depreciation — 20% .....	.....	4,002	4,002
Balance, June 30, 1985	29,694	13,685	16,009
Office Equipment and Furniture			
Balance, June 30, 1984	26,449	20,179	6,270
Current additions	7,129	.....	7,129
	33,578	20,179	13,399
Current depreciation — 20% .....	.....	2,680	2,680
Balance, June 30, 1985	33,578	22,859	10,719
Automobiles			
Balance, June 30, 1984	43,987	25,056	18,931
Current depreciation — 30% .....	.....	5,680	5,680
Balance, June 30, 1985	43,987	30,736	13,251
Leasehold Improvements			
Balance, June 30, 1984	76,855	41,750	35,105
Current amortization — 20% .....	.....	7,021	7,021
Balance, June 30, 1985	76,855	48,771	28,084
Totals — Statement 2	\$ 221,116	\$ 146,869	\$ 74,247

Prairie West Community College

Auditor's Report

To The Members of the Board

We have examined the balance sheet of Prairie West Community College as at June 30, 1985 and the statements of revenue and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the college as at June 30, 1985 and the results of its operations for the year then ended in accordance with accounting principles as described in Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Kindersley, Saskatchewan,
July 25, 1985.

Close, Perkins & Hauta
Chartered Accountants

Balance Sheet

June 30, 1985

Operating Fund

Assets

	1985	1984
Current Assets:		
Cash	\$ 103,771	\$ 106,602
Accounts receivable	21,393	11,863
Prepaid expenses	2,458	4,644
	<u>127,622</u>	<u>123,109</u>

Capital Fund

Assets

Current Assets:		
Cash	3,247	3,013
Fixed Assets (Note 3)	<u>69,056</u>	<u>40,867</u>
	72,303	43,880
	<u>\$ 199,925</u>	<u>\$ 166,989</u>

Operating Fund

Liabilities

Current Liabilities:		
Accounts payable and accrued liabilities	\$ 4,453	\$ 6,032

Equity

Surplus	<u>123,169</u>	<u>117,077</u>
	<u>127,622</u>	<u>123,109</u>

Capital Fund

Equity

Surplus	<u>72,303</u>	<u>43,880</u>
	<u>72,303</u>	<u>43,880</u>
	<u>\$ 199,925</u>	<u>\$ 166,989</u>

Prairie West Community College

Statement of Surplus — Operating Fund

Year Ended June 30, 1985

	1985	1984
Balance, Beginning of Year — as previously reported	\$ 121,319	\$ 94,458
Prior period adjustment (Note 5)	(4,242)	(4,242)
	117,077	90,216
Net revenue for the year	6,092	26,861
Balance, end of year	<u>\$ 123,169</u>	<u>\$ 117,077</u>

Statement of Surplus — Capital Fund

Year Ended June 30, 1985

Balance, beginning of year	\$ 43,880	\$ 32,677
Capital assets purchased out of operating fund	45,453	10,162
Payment of capital loan out of operating fund .....	.....	10,939
Depreciation of capital assets for the year	(17,264)	(10,217)
Interest revenue	234	319
Balance, End of Year	<u>\$ 72,303</u>	<u>\$ 43,880</u>

Statement of Revenue and Expenses

Year Ended June 30, 1985

	1985	1984
Revenue:		
Provincial Government	\$ 559,028	\$ 542,459
Tuition fees	111,878	108,456
Other	32,611	33,914
Administration charges	65,008	47,700
	<u>768,525</u>	<u>732,529</u>
Expenses (Schedule):		
Administrative	187,433	185,493
Program direct	263,305	260,105
Program support	266,242	238,969
	<u>716,980</u>	<u>684,567</u>
Net revenue before capital transactions	<u>51,545</u>	<u>47,962</u>
Payment on capital loan .....	.....	10,939
Purchase of fixed assets	45,453	10,162
	<u>45,453</u>	<u>21,101</u>
Net revenue for the year	<u>\$ 6,092</u>	<u>\$ 26,861</u>

Prairie West Community College

Schedule of Expenses

Year Ended June 30, 1985

	1985	1984
Administrative:		
Board	\$ 15,265	\$ 15,325
Unallocated costs	1,533	423
Office	17,701	16,064
Rentals	39,918	39,775
Repairs and maintenance	2,094	1,356
Salaries and benefits	108,667	108,330
Other	2,255	4,220
	<u>187,433</u>	<u>185,493</u>
Program Direct:		
Advertising and promotion	18,809	19,525
Agency payments	27,390	39,843
Course costs	28,187	37,001
Program office	14,546	11,536
Rentals	50,714	43,154
Repairs and maintenance	475	336
Salaries and benefits	99,012	85,084
Other	24,172	23,626
	<u>263,305</u>	<u>260,105</u>
Program Support:		
Advertising and promotion	1,588	976
Course costs	1,087	120
Program office expense	15,076	14,606
Rentals	15,000	7,905
Repairs and maintenance	5,219	4,526
Salaries and benefits	211,692	193,071
Other	16,580	17,765
	<u>266,242</u>	<u>238,969</u>
	<u>\$ 716,980</u>	<u>\$ 684,567</u>

Prairie West Community College

Notes to Financial Statements

June 30, 1985

1. Accounting Policies

General:

The accounting policies used by the organization are in accordance with accounting policies generally accepted for community colleges.

Operation of Operating Fund:

All activities of the organization are accounted for in the operating fund. Fixed assets purchased with operating fund revenue are recorded as an expense of the operating fund in the year of acquisition. Payments on capital fund loans made from the operating fund are recorded as an expense of the operating fund. The interest expense relating to the capital loan is an expense of the operating fund.

Operation of Capital Fund:

Fixed assets are recorded at cost in the capital fund in the year purchased. Donated fixed assets are recorded at their estimated fair market value at the time of the donation. Any amount paid by the operating fund on acquisition is recorded as an increase in capital fund equity.

On disposal of fixed assets, the cost is removed from fixed assets and the associated gain or loss on disposal is reflected as an increase or decrease of capital fund equity.

Depreciation:

Since the cost of fixed assets is recorded as an expense in the year of acquisition, no provision for depreciation is recorded in the operating fund. Depreciation is reported as a direct reduction of the equity in capital assets in the capital fund.

Depreciation in the capital fund is provided using the declining balance method at the annual rate of 20% for all fixed assets.

2. Long-Term Lease:

Future lease payments under a long-term building lease, expiring in 1990, are \$34,964 per annum and in aggregate amount to \$319,982 over the term of the lease, subject to an escalation based on costs of operation.

3. Fixed Assets:

				1985	1984
	Cost	Accumulated Depreciation		Net Book Value	Net Book Value
Audio-visual Equipment	\$ 39,277	\$ 28,936	\$	10,341	\$ 9,563
Office furniture and equipment	68,120	32,148		35,972	20,342
Capital equipment — program	36,474	13,731		22,743	10,962
	<u>\$ 143,871</u>	<u>\$ 74,815</u>	<u>\$</u>	<u>69,056</u>	<u>\$ 40,867</u>

4. Sponsored Programs:

In addition to the flat-grant programs, the college also provides sponsored programs operated on a cost-recovery basis. Total sponsored program costs of \$84,815 and related recoveries of \$84,412 are included in the statement of revenues and expenses. The variance of \$403 results from partial sponsorship of one program by the College.

5. Prior-Period Adjustment:

Operating surplus has been reduced by \$4,242. This amount represents the long-term lease escalation costs of the prior years 1980 to 1982 that was paid in the current year.

6. Contingent Liability:

The college is negotiating a contract with unionized employees which may include retro-active pay to July 1, 1984; however, the outcome of these negotiations is not determinable.

Prince Albert Regional Community College

Auditor's Report

To the Board of Directors of
Prince Albert Regional Community College:

We have examined the balance sheet of Prince Albert Regional Community College as at June 30, 1985 and the statements of revenue and expenditures and of fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1985 and the results of its operations and the changes in its financial position for the year then ended, in accordance with accounting policies described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Prince Albert, Saskatchewan,
November 8, 1985.

Deloitte, Haskins & Sells
Chartered Accountants

Operating Fund

Statement of Revenue and Expenditures

Year Ended June 30, 1985

	<i>Un-sponsored Programs</i>	<i>Sponsored Programs</i>	<i>1985 Total</i>	<i>1984 Total</i>
Revenue				
Grants	\$ 511,260	\$ 2,481,890	\$ 2,993,150	\$ 2,392,192
Tuition fees	290,153	.....	290,153	301,050
Rental	99,889	.....	99,889	37,908
Administrative	224,818	.....	224,818	173,349
Contract	757,843	.....	757,843	626,287
Transfer from other funds .....	.....	.....	.....	45,000
Support service recovery	79,844	.....	79,844	36,305
Miscellaneous	61,273	.....	61,273	49,851
	<u>2,025,080</u>	<u>2,481,890</u>	<u>4,506,970</u>	<u>3,661,942</u>
Expenditures				
Administration — Schedule 1	326,160	.....	326,160	706,393
Program-direct — Schedule 2	1,062,074	2,445,863	3,507,937	2,363,610
Program-support — Schedule 3	508,674	.....	508,674	484,022
	<u>1,896,908</u>	<u>2,445,863</u>	<u>4,342,771</u>	<u>3,554,025</u>
Contributions to Capital Fund				
Office equipment	6,078	3,008	9,086	13,584
Leaseholds and moving expenses	1,900	.....	1,900	63,426
Instructional equipment	21,114	33,019	54,133	25,258
	<u>29,092</u>	<u>36,027</u>	<u>65,119</u>	<u>102,268</u>
Excess of Revenue over Expenditures ...	<u>\$ 99,080</u>	<u>\$</u>	<u>\$ 99,080</u>	<u>\$ 5,649</u>

Prince Albert Regional Community College

Balance Sheet

June 30, 1985

Assets	1985			1984
	Capital Fund	Operating Fund	Total	Total
Current Assets				
Cash	\$	\$ 75,812	\$ 75,812	\$ 108,941
Accounts receivable (Note 2) .....	.....	246,278	246,278	338,497
Prepaid expenses .....	.....	1,433	1,433	1,500
		323,523	323,523	448,938
Equipment (Note 3)	228,926	.....	228,926	214,459
	<u>\$ 228,926</u>	<u>\$ 323,523</u>	<u>\$ 552,449</u>	<u>\$ 663,397</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	\$	\$ 185,008	\$ 185,008	\$ 141,390
Deferred income .....	.....	18,789	18,789	286,926
		203,797	203,797	428,316
Fund Balances				
Unappropriated Fund Balance	\$ 228,926	\$ 39,726	\$ 268,652	\$ 235,081
Appropriated Fund Balance .....	.....	80,000	80,000	.....
	228,926	119,726	348,652	235,081
	<u>\$ 228,926</u>	<u>\$ 323,523</u>	<u>\$ 552,449</u>	<u>\$ 663,397</u>

Statement of Fund Balances

Year Ended June 30, 1985

	1985			1984
	Capital Fund	Operating Fund Un-Appropriated	Operating Fund Appropriated	Total
Fund Balance, Beginning of Year	\$ 214,459	\$ 20,622	\$	\$ 235,081
Excess of Revenue over Expenditures .....	.....	99,080	.....	99,080
Recovery of Prior Year's Expenditure .....	.....	24	.....	24
Amortization of Leasehold and Moving Expenses	(6,533)	.....	.....	(6,533)
Depreciation of Equipment	(44,119)	.....	.....	(44,119)
Appropriated from Surplus .....	.....	(80,000)	80,000	.....
	163,807	39,726	80,000	283,533
Contribution by Operating Fund				
Office equipment	9,086	.....	.....	9,086
Leaseholds and moving expenses	1,900	.....	.....	1,900
Instructional equipment	54,133	.....	.....	54,133
Fund Balance, End of Year	<u>\$ 228,926</u>	<u>\$ 39,726</u>	<u>\$ 80,000</u>	<u>\$ 348,652</u>
				<u>\$ 235,081</u>

Prince Albert Regional Community College

Notes to the Financial Statements

June 30, 1985

1. Significant Accounting Policies

The significant accounting policies used by the College are as follows:

Fund Accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system to segregate the transactions of a particular activity. These funds are:

a) Operating

The operating fund contains the current revenue, expenditures, assets and liabilities pertaining to the general operations of the college. Included in operating fund expenditures are transfers to the capital fund for purchase of capital assets.

b) Capital Fund

The capital fund contains the equipment and the equity in capital fund assets.

c) Sponsored Programs Fund

The sponsored program fund contains the current revenues and expenditures relating to the operation of specific program courses. As the expenditures of these program courses are fully recovered there is no surplus or deficit.

Equipment — Capital Fund

Equipment and leasehold improvements are expensed in the operating fund. Equipment is recorded at cost in the capital fund and is depreciated on the diminishing balance method. Leasehold improvements are amortized using the straight-line method over the term of the lease.

2. Accounts Receivable

	1985	1984
Grants receivable	\$ 208,066	\$ 330,221
Other receivables	38,212	8,276
	<u>\$ 246,278</u>	<u>\$ 338,497</u>

3. Equipment

	Cost	Accumulated Depreciation	Net Book Value	Depreciation Rates
Bookkeeping equipment	\$ 17,003	\$ 13,437	\$ 3,566	20%
Furniture and equipment	118,336	74,457	43,879	20%
Instructional equipment	340,732	211,701	129,031	20%
Leasehold improvements and moving expenses	207,924	155,474	52,450	Term of lease
	<u>\$ 683,995</u>	<u>\$ 455,069</u>	<u>\$ 228,926</u>	

4. Lease Commitment

The College leases premises under lease arrangements with a minimum annual rental of \$276,283. The current leases expire as follows:

		Annual Lease
Main Campus	September 1993	\$ 213,851
St. Pats	August 1986	36,020
Learning Centre	November 1985	26,412

5. Change of Name

During the year the official name of the college was changed from Natonum Community College to Prince Albert Regional Community College. The name change was made by the college Board of Directors and was given consent by an Order in Council of the Saskatchewan Provincial Legislation.

Prince Albert Regional Community College

Schedule of Un-sponsored Administration Expenses

Year Ended June 30, 1985

	1985	1984
Advertising	\$	\$ 469
Audit	6,000	5,200
Bad debt expense	1,035	.....
Bank charges and interest	6,963	5,766
Board expenses — honoraria	7,601	8,946
— public relations	7,674	3,441
— sundry	2,474	3,324
— travel	2,041	2,004
— association fees	4,371	3,228
Contractual services .....	.....	119,089
Core services — SSDP .....	.....	20,792
Dues and subscriptions	496	428
Freight	21	345
Insurance — building and contents	5,274	5,290
Licenses and legal	185	971
Postage	6,347	8,315
Rent — equipment .....	.....	7,197
— facilities	26,058	26,168
— vehicles	3,173	3,916
Repairs — buildings	940	37,169
— equipment	2,618	2,751
Salaries and benefits	203,447	374,653
Security	8,725	.....
Sundry	1,667	204
Supplies and equipment	12,094	18,342
Telephone	2,896	16,926
Training	1,525	150
Travel and conferences	6,278	12,954
Utilities	6,257	18,355
	<u>\$ 326,160</u>	<u>\$ 706,393</u>

Schedule of Direct Program Expenses

Year Ended June 30, 1985

	Un-sponsored Programs	Sponsored Programs	1985 Total	1984 Total
Advertising	\$ 20,228	\$ 7,463	\$ 27,691	\$ 17,879
Contractual services	678,634	178,319	856,953	667,244
Fee refund .....	.....	.....	.....	9,481
Educational material and supplies	30,522	220,237	250,759	222,158
Office supplies .....	.....	18,033	18,033	.....
Postage	110	7,600	7,710	1,337
Rent — equipment	5,442	63,162	68,604	14,779
— facilities	21,018	339,174	360,192	304,945
Repairs — buildings .....	.....	4,306	4,306	263
— equipment	212	5,547	5,759	5,552
Salaries and employee benefits	292,038	1,528,462	1,820,500	1,069,290
Staff development	255	922	1,177	2,914
Telephone .....	.....	14,650	14,650	5,668
Travel — staff	13,615	43,230	56,845	41,823
Utilities .....	.....	14,758	14,758	277
	<u>\$ 1,062,074</u>	<u>\$ 2,445,863</u>	<u>\$ 3,507,937</u>	<u>\$ 2,363,610</u>

Prince Albert Regional Community College

Schedule of Un-sponsored Programs — Support Expenses

Year Ended June 30, 1985

	1985	1984
Advertising	\$ 2,743	\$ 8
Dues and subscriptions	238	278
Insurance	265	421
Licenses and taxes .....	.....	27
Postage	3,541	1,397
Rent — buildings	40,413	32,331
— equipment	46,293	1,165
— vehicles	8,810	3,996
Repairs — equipment	388	.....
— vehicles	107	100
Salaries and employee benefits	345,522	389,174
Staff development	82	40
Supplies and equipment	38,082	33,721
Telephone	17,074	7,085
Travel	5,116	13,933
Utilities, services and cafeteria .....	.....	346
	<u>\$ 508,674</u>	<u>\$ 484,022</u>

Regina Plains Community College

Auditor's Report

The Board
Regina Plains Community College
Regina, Saskatchewan

We have examined the Balance Sheet of Regina Plains Community College at 30 June 1985, and the Statements of Revenue and Expenditure, Surplus and Changes in Capital Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College at 30 June 1985, and the results of its operations for the year then ended in accordance with accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

August 16, 1985
Regina, Saskatchewan

Arscott & Partners
Chartered Accountants

Balance Sheet

At 30 June 1985, 1984

Exhibit "A"

Assets

	Note Ref.	1985	1984
Revenue Fund			
Current			
Cash	\$	190,834	\$ 150,918
Due from Adult Basic Education Fund		230,579	79,484
Accounts receivable			
— Saskatchewan Advanced Education and Manpower		81,424	44,690
— Other		120,672	55,626
Accrued interest .....		.....	1,385
Advance to employees		10,958	13,124
	\$	<u>634,467</u>	<u>\$ 345,227</u>
Adult Basic Education Program			
Current			
Cash .....	\$	.....	\$ 100
Accounts receivable			
— Saskatchewan Advanced Education and Manpower		815,673	256,619
— Other		8,065	5,640
	\$	<u>823,738</u>	<u>\$ 262,359</u>
Capital Fund			
Office and audio visual equipment	\$	295,183	\$ 180,307
Furniture and fixtures		105,036	90,605
Leasehold improvements	3	112,255	66,091
Automotive equipment		8,251	8,251
Computer software		12,116	3,138
Reference materials		729	498
	\$	<u>533,570</u>	<u>\$ 348,890</u>
	\$	<u>1,991,775</u>	<u>\$ 956,476</u>

"See accompanying notes"

Regina Plains Community College

Balance Sheet

At 30 June 1985, 1984

Exhibit "A"

Liabilities, Surpluses and Equity

	Note Ref.	1985	1984
Revenue Fund			
Current			
Bank indebtedness	\$	\$	6,640
Accounts payable and accrued liabilities	6	449,132	273,533
Operating advance from Employment and Immigration Canada ..		150,172	.....
Unearned revenue		1,693	1,400
	\$	600,997	\$ 281,573
Surplus — Exhibit "B"		33,470	63,654
	\$	634,467	\$ 345,227
Adult Basic Education Fund			
Current			
Operating advance from Saskatchewan Advanced Education and Manpower	\$	578,000	\$ 160,000
Due to Revenue Fund		230,579	79,484
Accounts payable and accrued liabilities		15,159	22,875
	\$	823,738	\$ 262,359
Capital Fund			
Equity in Capital Fund Assets	\$	533,570	\$ 348,890
	\$	1,991,775	\$ 956,476

"See accompanying notes"

Statement of Revenue Fund Surplus

For the Years Ended 30 June 1985, 1984

Exhibit "B"

	Note Ref.	1985	1984
Surplus — 1 July			
As previously reported	\$	106,763	\$ 151,266
Adjustment of unused holiday pay	6	(43,109)	(29,058)
As restated	\$	63,654	\$ 122,208
Excess revenue (expenditure) for the year — Exhibit "C"	6	(30,184)	(58,554)
Surplus — 30 June — to Exhibit "A"	\$	33,470	\$ 63,654

"See accompanying notes"

Regina Plains Community College

Statement of Revenue and Expenditure

For the Years Ended 30 June 1985, 1984

Exhibit "C"

	Note Ref.	1985	1984
Revenue			
Operating Grants — Saskatchewan Advanced Education and			
Manpower	\$	844,032	\$ 766,532
Tuition fees		381,462	372,979
Program reimbursement		334,554	232,305
Administration charge		225,123	125,240
Transfer payment .....		.....	9,105
Interest		20,998	14,733
Rental		76,580	47,567
Transfer in from Adult Basic Education Fund		40,197	31,284
Other	7	44,977	38,099
		<u>\$ 1,967,923</u>	<u>\$ 1,637,844</u>
Expenditure			
Administration and Co-ordination — Schedule "1"	\$	975,157	\$ 926,275
Courses and instruction — Schedule "2"		762,785	659,006
Capital — Schedule "3"		260,165	111,117
		<u>\$ 1,998,107</u>	<u>\$ 1,696,398</u>
Excess revenue (expenditure) for the year — to Exhibit "B"		<u>\$ (30,184)</u>	<u>\$ (58,554)</u>
"See accompanying notes"			

Statement of Revenue and Expenditure and Surplus

For the Years Ended 30 June 1985, 1984

Exhibit "D"

	1985	1984
Adult Basic Education Fund		
Revenue		
Program reimbursement	\$ 2,987,628	\$ 1,748,082
Tuition fees	58,223	22,845
Sales of materials	780	.....
	<u>\$ 3,046,631</u>	<u>\$ 1,770,927</u>
Expenditure — Schedule "4"	<u>3,006,434</u>	<u>1,739,643</u>
Excess revenue for the year	\$ 40,197	\$ 31,284
Surplus — Beginning of year .....	.....	.....
Less: Transferred to Revenue Fund	40,197	31,284
Surplus — End of year	<u>\$</u>	<u>\$</u>
"See accompanying notes"		

Regina Plains Community College

Statement of Revenue and Expenditure and Surplus

For the Years Ended 30 June 1985, 1984

Exhibit "E"

	1985	1984
N.S.I.M. Fund		
Revenue		
Program reimbursement	\$ 374,320	\$ 314,875
Expenditure		
Agency payments	315,991	233,417
Salaries and benefits	45,917	67,405
Administration charge	7,800	.....
Rent — equipment	1,872	.....
Travel	1,367	9,289
Other	785	738
Advertising	588	413
Rental of facilities .....	.....	3,613
	<u>\$ 374,320</u>	<u>\$ 314,875</u>
Excess revenue for the year .....	.....	.....
Surplus — Beginning of year .....	.....	.....
Surplus — End of year	<u>\$</u>	<u>\$</u>

"See accompanying notes"

Statement of Changes in Capital Fund

For the Years Ended 30 June 1985, 1984

Exhibit "F"

	Note Ref.	1985	1984
Balance — Beginning of year		\$ 348,890	\$ 272,533
Add — Transfer from Revenue Fund	7	260,165	111,117
Deduct — Disposal of equipment	7	27,899	16,412
— Disposal of furniture and fixture		446	.....
— Current amortization of leasehold improvements		47,140	18,348
		<u>\$ 533,570</u>	<u>\$ 348,890</u>

"See accompanying notes"

Schedule of Administration and Co-ordinating Expenditure

For the Years Ended 30 June 1985, 1984

Schedule "1"

	Note Ref.	1985	1984
Salaries, wages and benefits	6	\$ 701,789	\$ 676,065
Rent — facilities		66,952	68,134
Telephone		37,189	29,235
Office supplies		33,620	24,402
Repairs and maintenance		28,990	23,028
Board expenses		21,811	17,826
Cartage		17,437	6,327
Postage		16,587	15,593
Travel		14,638	16,620
Professional services		11,545	9,108
Insurance		8,587	6,459
Audit fees		6,200	6,835
In-service training		4,993	7,275
Other		4,552	6,185
Interest		267	4,078
Transfer payment .....		.....	9,105
Total — to Exhibit "C"		<u>\$ 975,157</u>	<u>\$ 926,275</u>

"See accompanying notes"

Regina Plains Community College

Schedule of Course and Instruction Expenditure

Schedule "2"

For the Years Ended 30 June 1985, 1984

	1985	1984
Salaries, wages and benefits	\$ 429,521	\$ 358,163
Contracted course and fees	65,359	92,410
Advertising	97,221	79,301
Rent — facilities	63,183	31,713
Instructional aids and supplies	35,856	39,551
Other course costs	39,564	25,464
Supplies and materials for resale	13,500	16,054
Travel	18,581	16,350
Total — to Exhibit "C"	<u>\$ 762,785</u>	<u>\$ 659,006</u>

"See accompanying notes"

Schedule of Capital Expenditure

Schedule "3"

For the Years Ended 30 June 1985, 1984

	1985	1984
Office and audio visual equipment	\$ 142,775	\$ 96,663
Furniture and fixtures	14,877	10,818
Reference materials	231	498
Computer Software	8,978	3,138
Leasehold improvements	93,304	.....
Total — to Exhibit "C"	<u>\$ 260,165</u>	<u>\$ 111,117</u>

"See accompanying notes"

Schedule of Adult Basic Education Fund Expenditures

Schedule "4"

For the Years Ended 30 June 1985, 1984

	1985	1984
Salaries, wages and benefits	\$ 2,162,122	\$ 1,309,414
Rent — facilities	224,655	139,976
Rent — equipment	161,782	36,951
Repairs and maintenance	156,046	44,113
Administration charge	136,928	51,676
Supplies and educational materials	81,342	86,313
Travel	29,925	13,239
Other	15,416	10,717
Utilities and services	14,694	13,695
In-service training	14,019	8,664
Transfer to Saskatchewan Advanced Education and Manpower	9,505	24,885
Total — to Exhibit "D"	<u>\$ 3,006,434</u>	<u>\$ 1,739,643</u>

"See accompanying notes"

Notes to the Financial Statements

At 30 June 1985

1. Significant Accounting Policies:

These financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

Fund Accounting

The College uses fund accounting to account for transactions. These funds are the:

Revenue Fund — relates to general operations

Adult Basic Education Fund — relates to adult basic education program

Capital Fund — relates to capital assets

N.S.I.M. Fund — relates to non-status Indians and Metis program

Fixed Assets

All acquired fixed assets which cost more than \$200 each are recorded as capital expenditures. To maintain accountability for these fixed assets, they are recorded as Capital Fund fixed assets with an offsetting charge to Equity in the Capital Fund assets. The College does not record any depreciation expenses. The cost of fixed assets disposed of and/or traded in is recorded as a reduction to equity in Capital Fund assets.

Regina Plains Community College

Notes to the Financial Statements — (Concluded)

1. Significant Accounting Policies — (Concluded)

Leasehold Improvements

Costs relating to leasehold improvements have been capitalized and are being amortized over the term of the leases.

2. Major Lease Agreements

- (a) A contract was signed on August 6, 1981, between the Board of Education of the Regina School Division No. 4 of Saskatchewan (Landlord) and the College (Tenant) to lease the Victoria School, 1915 Retallack Street, Regina, Saskatchewan. The contract calls for monthly rent payments of \$6,000. The contract expires on August 30, 1991.
- (b) A contract was signed on November 3, 1981, between International Executive Developments Ltd. (Landlord) and the College (Tenant) to lease the College's main premises, 2708 12th Avenue, Regina, Saskatchewan. The contract calls for monthly rent payments of \$5,293. This contract expires on February 28, 1987.
- (c) A contract was signed on September 1, 1983, between Sacred Heart Academy Corporation (Landlord) and the College (Tenant) to lease the premises at 2115 Athol Street, Regina, Saskatchewan. The contract calls for monthly rent payments of \$3,546. (\$1,012 for base rent plus \$2,534 for operating costs which is subject to annual adjustments). This contract expires on June 30, 1988.
- (d) A contract was signed on June 29, 1984, between Redco Holdings Ltd. (Landlord) and the College (Tenant) to lease the Computer Education/Counselling Centre on 2304 11th Avenue, Regina, Saskatchewan. The contract calls for monthly rent payments of \$3,350.00. This contract expires on August 31, 1987. An Addendum was added to the contract on February 26, 1985, to rent additional office space in the same building. It calls for an additional monthly rent payment of \$5,416.67, starting April 1, 1985. The addendum expires on August 31, 1987.

3. Leasehold Improvements

- (a) The renovation of the A.B.E. Centre cost \$38,667. Starting October 1, 1982, it is being amortized over the term of the lease, which is ten years, at \$332 per month.
- (b) The renovation of the College's main premises cost \$71,807. Starting March 1, 1982, it is being amortized over the term of the lease, which is five years at \$1,197 per month.
- (c) There was another renovation in the College's main building in July, 1984, at a cost of \$13,527. Starting July 1, 1984, it is being amortized over thirty-two months at \$423 per month.
- (d) The Computer/Career Centre and the Bridging Job Training Centre were renovated in August, 1984 at a cost of \$79,777. Starting August 1, 1984, it is being amortized over thirty-seven months at \$2,156 per month.

4. Comparative Figures

Some of the 1984 figures of the statement of revenue and expenditure have been reclassified to conform to the 1985 financial statements presentation.

5. Contingent Liabilities

The collective bargaining agreement signed between the Saskatchewan Community Colleges and the Saskatchewan Government Employees' Union for the period from July 1, 1982 to June 30, 1984 expired on June 30, 1984. No new agreement was signed during the 1984/85 fiscal year. The collective agreement is currently under review and any contingent liability is unknown.

6. Accrued Holiday Pay

The unused holiday pay (\$43,109 in 1984 and \$29,058 in 1983) for the administration and support staff had not been accrued at year-end prior to July 1, 1984. These have been corrected and the 1984 financial statements have been restated. As a result of these adjustments, the accumulated surplus at 1 July 1983 is reduced by \$29,058, and the operating deficit for 1984 is increased by \$14,051.

7. Previous Fixed Asset Disposition

In 1983/84 year, the disposition of the old IBM copier was shown as \$6,162.00 (book value \$16,412.00 — value given for the trade-in \$10,250.00). This has been adjusted to show its original value. This adjustment does not affect the accumulated surplus nor the operating surplus/(deficit) for the year.

Saskatchewan Indian Community College

Auditors' Report

To the Board of Directors of the
Saskatchewan Indian Community College

We have examined the balance sheet of the Saskatchewan Indian Community College as at June 30, 1985 and the statements of operations and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1985 and the results of its operations for the year then ended, in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Saskatoon, Saskatchewan,
August 30, 1985.

Price Waterhouse
Chartered Accountants

Balance Sheet

	June 30	
	1985	1984
Assets		
Current assets:		
Bank	\$ 84,045	\$ 880
Term deposits (Note 2)	219,890	209,340
Accounts receivable (Note 3)	1,140,708	759,818
Prepaid expense	27,479	5,290
	<u>1,472,122</u>	<u>975,328</u>
Fixed assets (Notes 1 and 4):	818,095	666,128
Due from Federation of Saskatchewan Indians, Inc. (Note 13) .....	.....	69,893
Goodwill (Notes 1 and 5)	37,151	55,726
	<u>\$ 2,327,368</u>	<u>\$ 1,767,075</u>
Liabilities		
Current liabilities:		
Accounts payable (Note 6)	\$ 521,089	\$ 416,243
Advance — Department of Advanced Education and Manpower (Note 7) ..	665,000	.....
Obligation under capital lease (Note 8)	5,353	7,399
Current portion of long-term debt (Note 9)	9,327	7,801
Deferred revenue (Note 10)	206,848	199,057
	<u>1,407,617</u>	<u>630,500</u>
Long-term debt (Note 9)	11,535	20,862
Obligation under capital lease (Note 8)	21,335	26,688
Equity		
Advance — Department of Advanced Education and Manpower (Note 7) ....	.....	250,000
Equity in fixed assets (Note 1)	818,095	666,128
Equity in goodwill (Note 1)	37,151	55,726
Surplus	31,635	117,171
	<u>886,881</u>	<u>1,089,025</u>
	<u>\$ 2,327,368</u>	<u>\$ 1,767,075</u>

Saskatchewan Indian Community College

Statement of Surplus

	Year ended June 30	
	1985	1984
Unappropriated surplus:		
Balance at beginning of year	\$ 80,715	\$ 58,181
Transfer from appropriated surplus (Note 11)	36,456	.....
Surplus (deficit) for the year		
Surplus from operations	14,053	22,534
Less: Special items (Note 12)	(99,589)	.....
	(85,536)	22,534
Unappropriated surplus at end of year	31,635	80,715
Appropriated surplus: (Note 11)		
Balance at beginning of year	36,456	36,456
Transfer to unappropriated surplus	(36,456)	.....
Appropriated surplus at end of year	.....	36,456
Total appropriated and unappropriated surplus at end of year	\$ 31,635	\$ 117,171

Statement of Operations

	Year ended June 30	
	1985	1984
Revenue: — (Schedule 1)		
Administration	\$ 1,571,385	\$ 1,796,291
Courses	2,409,465	1,977,642
Special programs	1,497,320	1,759,824
Other	18,773	19,747
Total revenue	5,496,943	5,553,504
Expenditures: — (Schedule 2)		
Administration	1,546,900	1,693,092
Courses	2,409,466	1,977,642
Special programs	1,526,524	1,860,236
Total expenditures	5,482,890	5,530,970
Surplus from operations	14,053	22,534
Special items (Note 12)		
Forgiveness of Federation of Saskatchewan Indians, Inc. loan	(69,893)	.....
Write off of band advances	(19,696)	.....
Sports Council grant	(10,000)	.....
	(99,589)	.....
Surplus (deficit) for the year	\$ (85,536)	\$ 22,534

Saskatchewan Indian Community College

Notes to Financial Statements

June 30, 1985

1. Accounting principles and policies:

The College's financial statements have been prepared in accordance with generally accepted accounting principles except where indicated below.

Fixed assets, goodwill, depreciation and amortization —

Fixed assets and goodwill are recorded at cost and are purchased out of revenue funds for the year. The College's equity in fixed assets and goodwill results from a double entry made at the time of the purchase of an asset. The purchase is recorded both as an expenditure, affecting the calculation of surplus, and as an asset. The equity in fixed assets and goodwill represents the amount of asset purchases which have been recorded less accumulated depreciation and amortization.

The depreciation and amortization charges lower the book value of the assets and decreases the equity in fixed assets and goodwill.

Depreciation and amortization charges are based on estimated useful lives of the assets, and are calculated using the following methods and rates:

Assets	Depreciation/Amortization Method	Rate/Term
Automotive equipment	Declining balance	30%
Furniture and equipment		
— owned and leased	Declining balance	20%
Leasehold improvements	Declining balance	20%
Equipment — Skills Growth Fund (Note 4)	Straight-line	5 years
Leasehold improvements		
— Skills Growth Fund (Note 4)	Straight-line	5 years
Goodwill	Straight-line	4 years

2. Line of Credit:

Term deposits of \$119,890 are used as collateral for a line of credit which can be drawn upon up to the balance of the term deposit.

3. Accounts receivable:

Accounts receivable at June 30 consists of the following:

	1985	1984
Department of Advanced Education and Manpower:		
Administration reimbursement	\$ 329,942	\$ 262,794
Recoverable course costs	618,497	257,802
Flat grant .....	.....	140,000
Employment and Immigration Canada	103,484	.....
Health and Welfare Canada	3,333	.....
Indian and Northern Affairs Canada	28,420	45,126
Staff advances	19,290	15,790
Miscellaneous	15,365	31,075
Federation of Saskatchewan Indians, Inc.	12,573	1,400
Saskatchewan Indian Cultural College	900	1,382
Saskatchewan Indian Federated College	900	4,149
Saskatchewan Indian Equity Foundation .....	.....	300
Thunderchild Technical Institute	8,004	.....
	<u>\$ 1,140,708</u>	<u>\$ 759,818</u>

Saskatchewan Indian Community College

Notes to Financial Statements — (Continued)

4. Fixed Assets:

Fixed assets consist of:

	1985	1984
Automotive equipment	\$ 63,406	\$ 45,830
Equipment	329,001	263,025
Equipment under capital lease	34,965	34,965
Furniture	67,518	56,273
Furniture and fixtures —		
Prince Albert Business College	35,291	34,082
Furniture under capital lease	8,284	8,284
Leasehold improvements	75,085	66,150
Equipment — Skills Growth Fund	369,658	226,441
Leasehold improvements —		
Skills Growth Fund	317,440	194,554
	1,300,648	929,604
Less: accumulated depreciation and amortization	482,553	263,476
Net book value	\$ 818,095	\$ 666,128

Assets purchased through the Employment and Immigration Canada Skills Growth Fund are located at College training institute program centres throughout the province.

5. Goodwill:

Goodwill represents the excess of the purchase price of the Prince Albert Business College over the appraised value of its assets at the date of purchase, less accumulated amortization. Accumulated amortization is \$37,150 (1984 — \$18,575).

6. Accounts payable:

Accounts payable at June 30 consists of the following:

	1985	1984
Trade payables and accrued liabilities	\$ 478,589	\$ 380,396
Federation of Saskatchewan Indians, Inc.	37,500	35,847
Saskatchewan Indian Housing Commission	5,000	.....
	\$ 521,089	\$ 416,243

7. Advance:

During the year the Department of Advanced Education and Manpower introduced a monthly operating advance program to replace the permanent advance previously offered. Monthly, the Department of Advanced Education and Manpower advances funds to the College to cover 80% of projected eligible course and administration expenditures for the period. These advances are deducted from the statement of actual expenditures presented to the Department of Advanced Education and Manpower for reimbursement.

8. Lease obligations:

a) Capital leases.

The obligations under the capital leases are reduced by rental payments net of imputed interest. The amount of interest for the year ended June 30, 1985 was \$3,571 and the interest rate was 12.19%. The following is a schedule of future minimum lease payments under the capital leases as at June 30, 1985.

For the year: 1986	\$ 8,313
1987	8,313
1988	8,313
1989	8,992
Total minimum lease payments	\$ 33,931
Less amount representing interest	7,243
Present value of minimum lease payments	\$ 26,688
Current portion included in current liabilities	5,353
Long-term obligations under capital lease	\$ 21,335

b) Operating leases.

The College has commitments under operating leases as follows:

Year ended June 30, 1986	\$107,689
1987	70,161
	\$177,850

Saskatchewan Indian Community College

Notes to Financial Statements — (Concluded)

9. Long-term debt:

The Developers Real Estate Corp., unsecured loan repayable in monthly instalments of \$1,028.18 including principal and interest at 18%	\$ 20,862
Less: Current portion	9,327
	<u>\$ 11,535</u>

Principal repayments of the College's long term debt in each of the next two years is as follows:

1986	\$ 9,327
1987	11,535

10. Deferred revenue:

Deferred revenue arises as a result of funds received from various agencies to be applied against program expenditures made subsequent to June 30, 1985. It relates to the following programs:

Skills Growth Fund Capital Expenditures (Employment and Immigration Canada)	\$132,875
National Native Alcohol and Drug Abuse Program (Health and Welfare Canada)	39,507
Health Sciences Program Development (Health and Welfare Canada)	12,188
Career Development Project (Indian and Northern Affairs Canada)	22,278
	<u>\$206,848</u>

11. Appropriation of surplus:

The Board of Directors of the College authorized the transfer of appropriated surplus of \$36,456 back into unappropriated surplus, as the related programs had been completed.

12. Special items:

Special items include a write-down of other receivables of \$69,893 and a write-down of advances of \$19,696. In addition, special items include a \$10,000 contribution towards the First Nations Sports Council.

13. Related party transactions:

Related parties to the College include the Federation of Saskatchewan Indians, Inc. (FSIN), the Saskatchewan Indian Cultural College, the Saskatchewan Indian Federated College, and the Saskatchewan Indian Housing Commission.

Under a management agreement, the College paid \$187,500 to the Central Accounting Unit of the FSIN during the year ended June 30, 1985.

Saskatchewan Indian Community College

Schedule of Revenue

	Schedule	Schedule 1	
		Year ended June 30	
		1985	1984
Administration:			
Department of Advanced Education and Manpower			
— Flat grant	\$	\$	140,000
— Administrative reimbursement		1,186,885	1,096,950
Indian and Northern Affairs Canada		384,500	497,250
Administrative costs recovered		.....	62,091
	\$	1,571,385	\$ 1,796,291
Courses:			
Department of Advanced Education and Manpower	\$	2,399,722	\$ 1,977,642
Costs recovered		9,743	.....
	\$	2,409,465	\$ 1,977,642
Special programs:			
Saskatchewan Indian Management Training Institute	5	\$ 150,000	\$ 150,000
Prince Albert Business College	6	225,586	109,452
Health Sciences Program Development	7	116,232	.....
Special Events	8	9,650	181,986
Community Health Representative Refresher Courses	9	70,589	.....
Instructional Aids Production Service	10	25,000	419,016
Career Development Project	11	17,722	.....
Job Creation Program II	12	19,747	11,017
National Native Alcohol and Drug Abuse Program	13	150,493	56,000
Fire Academy	14	204,170	9,250
Skills Growth Fund Capital Expenditures	15	468,131	469,601
Building Inspectors Part I	16	40,000	155,774
Building Inspectors Part II		.....	46,095
Indian Recreation Directors Training Program		.....	32,000
Management Development Training Conference		.....	33,000
Economic Development Field Workers Training Program		.....	12,000
Institute for the Development of Indian Government Assets		.....	5,000
Telidon		.....	6,000
Saskatchewan Indian Housing Commission		.....	600
Job Creation Program I		.....	48,033
Physical Fitness Training		.....	15,000
	\$	1,497,320	\$ 1,759,824
Other:			
Interest	\$	12,514	\$ 8,126
Miscellaneous		6,259	11,621
	\$	18,773	\$ 19,747

Saskatchewan Indian Community College

Schedule of Expenditures

Schedule 2

Year ended June 30

	<u>Schedule</u>	<u>1985</u>	<u>1984</u>
Administration	3	\$ 1,546,900	\$ 1,693,092
Courses	4	\$ 2,409,466	\$ 1,977,642
Special programs:			
Saskatchewan Indian Management Training Institute	5	\$ 150,000	\$ 148,630
Prince Albert Business College	6	264,986	180,355
Health Sciences Program Development	7	116,232	.....
Special Events	8	11,704	185,050
Community Health Representative Refresher Courses	9	70,589	.....
Instructional Aids Production Service	10	25,393	420,824
Career Development Project	11	17,722	.....
Job Creation Program II	12	19,747	11,017
National Native Alcohol and Drug Abuse Program	13	142,064	56,000
Fire Academy	14	204,170	9,250
Skills Growth Fund Capital Expenditures	15	463,075	469,601
Building Inspectors Part I	16	40,842	156,322
Building Inspectors Part II .....		.....	46,084
Indian Recreation Directors Training Program .....		.....	32,363
Management Development Training Conference .....		.....	33,000
Economic Development Field Workers Training Program .....		.....	12,000
Institute for the Development of Indian Government Assets ..		.....	5,640
Telidon .....		.....	28,983
Saskatchewan Indian Housing Commission .....		.....	600
Job Creation Program I .....		.....	48,033
Physical Fitness Training .....		.....	16,484
		<u>\$ 1,526,524</u>	<u>\$ 1,860,236</u>

Saskatchewan Indian Community College

Schedule of Administrative Expenditures

Schedule 3

Year ended June 30

1985 1984

Contractual services:

Audit and accounting	\$ 21,335	\$ 24,245
Casual labour	300	.....
Central accounting services (Note 13)	187,500	100,000
Consultations	90,752	136,704
Legal	1,774	9,190
Tuition fees — staff development .....	.....	1,105
	<u>\$ 301,661</u>	<u>\$ 271,244</u>

Operating:

Advertising	\$ 2,651	\$ 805
Bank charges and interest	12,855	14,814
Business development	14,224	45,721
Equipment rentals and repairs	23,566	5,820
General maintenance and insurance	10,543	15,128
Leasehold improvements	8,948	28,923
Planning and development	8,850	2,669
Postage	6,115	4,159
Rent — building and equipment	62,743	48,712
Storage, moving and shipping	15,904	16,112
Taxes	5,973	1,887
Telephone and utilities	67,752	65,476
Xeroxing and printing	14,633	23,882
	<u>\$ 254,757</u>	<u>\$ 274,108</u>

Personnel:

Employee benefits	\$ 21,929	\$ 34,912
Salaries	605,661	684,214
Staff training	3,880	1,120
Training allowances	1,661	53,865
Travel and sustenance	156,014	187,575
Vehicle maintenance	17,231	16,687
	<u>\$ 806,376</u>	<u>\$ 978,373</u>

Supplies:

Educational supplies	\$ 4,748	\$ 3,430
Furniture and equipment purchases	45,964	51,967
Office supplies	23,376	22,936
Subscriptions and audio-visual supplies	1,746	217
	<u>\$ 75,834</u>	<u>\$ 78,550</u>

Other:

Board honoraria	\$ 31,810	\$ 23,204
Board travel	43,063	19,325
Conferences	2,380	12,838
Donations .....	.....	982
Miscellaneous	15,902	6,338
Vehicle rent	15,117	28,130
	<u>\$ 108,272</u>	<u>\$ 90,817</u>

Total administrative expenditures	<u>\$ 1,546,900</u>	<u>\$ 1,693,092</u>
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Saskatchewan Indian Community College

Schedule of Course Expenditures

	Schedule 4	
	<i>Year ended June 30</i>	
	<i>1985</i>	<i>1984</i>
Academic orientation	\$	\$ 26,779
Administrative charges	13,685	4,209
Advertising	1,261	4,731
Classroom supply and textbooks	223,302	204,386
Contractual services	617,812	364,096
Employee benefits	28,938	28,535
Freight	9,655	4,474
Fuel	13,351	30,149
Janitorial	874	4,870
Major tools and equipment	64,550	71,684
Other charges	16,853	16,950
Planning and development	237	2,107
Postage	915	538
Printing, binding and engraving	2,643	2,189
Rent — classroom equipment	151,681	130,477
Rent — grounds and building	134,326	158,367
Repairs, equipment and furniture	25,777	7,098
Salaries	768,751	691,012
Small tools and equipment	5,859	32,288
Staff training	6,601	5,692
Student training	7,391	.....
Renovations	9,646	.....
Telephone and utilities	59,195	27,128
Trainees meals and accommodations	4,112	3,886
Travel and sustenance	239,609	153,841
Xeroxing and duplicating	2,442	2,156
	<u>\$ 2,409,466</u>	<u>\$ 1,977,642</u>

Saskatchewan Indian Management Training Institute

Statement of Operations

	Schedule 5	
	<i>Year ended June 30</i>	
	<i>1985</i>	<i>1984</i>
Revenue:		
Funding — Indian and Northern Affairs Canada	\$ 150,000	\$ 150,000
Expenditures:		
Administration charges .....	.....	10,000
Contractual services	150,000	75,944
Employee benefits .....	.....	1,664
Freight .....	.....	1,710
Major tools and equipment .....	.....	6,445
Miscellaneous .....	.....	330
Planning and development .....	.....	9,505
Salaries .....	.....	34,600
Travel and sustenance .....	.....	8,432
	<u>150,000</u>	<u>148,630</u>
Surplus (deficit) for the year	<u>\$</u>	<u>\$ 1,370</u>

Saskatchewan Indian Community College

Prince Albert Business College

Statement of Operations

Schedule 6

Year ended June 30

	1985	1984
Revenue:		
Fees collected	\$ 59,428	\$ 56,673
Funding — Employment and Immigration Canada	166,158	.....
Funding — Indian and Northern Affairs Canada .....	.....	52,779
	<u>225,586</u>	<u>109,452</u>
Expenditures:		
Advertising	2,032	2,128
Classroom renovations .....	.....	2,468
Classroom supplies and texts	23,193	9,817
Employee benefits	9,688	4,830
Insurance	3,700	.....
Janitorial	5,227	4,706
Major tools and equipment	1,208	23,468
Other charges	599	1,753
Planning and development	1,124	2,870
Printing, binding and engraving	5,438	2,196
Rent — grounds and building	16,441	14,562
Repairs, equipment, furniture	3,569	3,702
Salaries	158,285	97,199
Staff training	210	250
Telephone and utilities	9,394	4,088
Travel and sustenance	24,758	6,209
Xeroxing and duplicating	120	109
	<u>\$ 264,986</u>	<u>\$ 180,355</u>
Surplus (deficit) for the year	<u>\$ (39,400)</u>	<u>\$ (70,903)</u>

Health Sciences Program Development

Statement of Operations

Schedule 7

Year ended June 30

	1985	1984
Revenue:		
Funding — Health and Welfare Canada	\$ 116,232	\$
Expenditures:		
Advertising	5,243	.....
Classroom supplies and texts	781	.....
Contractual services	4,650	.....
Employee benefits	4,474	.....
Other charges	352	.....
Printing and binding	644	.....
Rent — grounds and building	75	.....
Resource personnel	1,431	.....
Salaries	81,153	.....
Staff training	60	.....
Trainee meals and accommodations	350	.....
Travel and sustenance	17,019	.....
	<u>116,232</u>	<u>.....</u>
Surplus (deficit) for the year	<u>\$</u>	<u>\$</u>

Saskatchewan Indian Community College

Special Events

Statement of Operations

	Schedule 8	
	<i>Year ended June 30</i>	
	<u>1985</u>	<u>1984</u>
Revenue:		
Funding — Indian and Northern Affairs Canada	\$ 9,650	\$ 181,986
Expenditures:		
Administration charges .....	.....	11,435
Grants and donations	9,386	165,800
Travel and sustenance	2,318	7,815
	<u>11,704</u>	<u>185,050</u>
Surplus (deficit) for the year	<u>\$ (2,054)</u>	<u>\$ (3,064)</u>

Community Health Representative Refresher Courses

Statement of Operations

	Schedule 9	
	<i>Year ended June 30</i>	
	<u>1985</u>	<u>1984</u>
Revenue:		
Funding — Health and Welfare Canada	\$ 70,589	\$
Expenditures:		
Administration charges	7,004	.....
Classroom supplies and texts	324	.....
Contractual services	2,400	.....
Rent — grounds and building	1,372	.....
Resource personnel	450	.....
Salaries	3,802	.....
Telephone and utilities	44	.....
Trainee meals and accommodations	31,672	.....
Travel and sustenance	23,521	.....
	<u>70,589</u>	<u>.....</u>
Surplus (deficit) for the year	<u>\$</u>	<u>\$</u>

Saskatchewan Indian Community College

Instructional Aids Production Service

Statement of Operations

	Schedule 10	
	<i>Year ended June 30</i>	
	<u>1985</u>	<u>1984</u>
Revenue:		
Funding — Indian and Northern Affairs Canada	\$ 25,000	\$ 419,016
Expenditures:		
Administrative charges		10,019
Advertising		1,000
Classroom supplies and texts	1,291	11,131
Contractual services	750	197,021
Employee benefits	875	3,652
Equipment rent		321
Freight		1,292
Janitorial	879	3,044
Major tools and equipment		28,080
Other charges	3,000	1,673
Postage		5,603
Printing, binding and engraving	1,888	30,371
Rent — grounds and building	4,632	19,107
Repairs, equipment, furniture	155	1,647
Salaries	8,224	79,563
Small tools and equipment		874
Staff and student training		610
Telephone and utilities	1,202	4,345
Travel and sustenance	2,252	19,233
Xeroxing and duplicating	245	2,238
	<u>25,393</u>	<u>420,824</u>
Surplus (deficit) for the year	\$ (393)	\$ (1,808)

Career Development Project

Statement of Operations

	Schedule 11	
	<i>Year ended June 30</i>	
	<u>1985</u>	<u>1984</u>
Revenue:		
Funding — Indian and Northern Affairs Canada	\$ 17,722	\$
Expenditures:		
Contractual services	5,000	.....
Employee benefits	277	.....
Other charges	93	.....
Printing and binding	892	.....
Rent — equipment	533	.....
Salaries	10,038	.....
Supplies	606	.....
Travel and sustenance	283	.....
	<u>17,722</u>	<u>.....</u>
Surplus (deficit) for the year	\$	\$

Saskatchewan Indian Community College

Job Creation Program II

Statement of Operations

	Schedule 12	
	<i>Year ended June 30</i>	
	<u>1985</u>	<u>1984</u>
Revenue:		
Funding — Saskatchewan Social Services	\$ 19,747	\$ 11,017
Expenditures:		
Employee benefits	774	554
Salaries	18,973	10,463
	<u>19,747</u>	<u>11,017</u>
Surplus (deficit) for the year	<u>\$</u>	<u>\$</u>

National Native Alcohol and Drug Abuse Program

Statement of Operations

	Schedule 13	
	<i>Year ended June 30</i>	
	<u>1985</u>	<u>1984</u>
Revenue:		
Funding — Health and Welfare Canada	\$ 150,493	\$ 56,000
Expenditures:		
Administration charges	19,500	11,025
Classroom supplies and texts	669	419
Contractual services	5,490	11,791
Employee benefits	757	.....
Other charges	702	251
Planning and development	1,900	205
Rent — classroom equipment	473	800
Rent — grounds and building	1,375	1,629
Resource personnel	17,550	1,615
Salaries	15,355	.....
Student training	800	.....
Telephone and utilities .....	.....	187
Trainees meals and accommodations	43,245	9,236
Travel and sustenance	34,076	18,165
Xeroxing and duplicating	172	677
	<u>142,064</u>	<u>56,000</u>
Surplus (deficit) for the year	<u>\$ 8,429</u>	<u>\$</u>

Saskatchewan Indian Community College

Fire Academy

Statement of Operations

Schedule 14

Year ended June 30

	1985	1984
Revenue:		
Funding — Indian and Northern Affairs Canada	\$ 204,170	\$ 9,250
Expenditures:		
Administration charges	8,000	.....
Board travel and honoraria	5,479	.....
Classroom supplies and texts	6,649	337
Contractual services	45,016	3,700
Employee benefits	727	.....
Freight	730	129
Other charges	1,380	95
Planning and development	191	.....
Repairs to equipment and furniture	6,136	130
Rent — equipment	120	.....
Salaries	22,898	.....
Telephone and utilities	2,109	.....
Trainee meals and accommodations	8,677	.....
Training — students	3,840	.....
Travel and sustenance	78,049	4,859
Vehicles	14,080	.....
Xeroxing and duplicating	89	.....
	204,170	9,250
Surplus (deficit) for the year	\$	\$

Skills Growth Fund Capital Expenditures

Statement of Operations

Schedule 15

Year ended June 30

	1985	1984
Revenue:		
Skills Growth Funding — Employment and Immigration Canada	\$ 468,131	\$ 469,601
Expenditures:		
Classroom renovations	122,976	194,554
Major tools and equipment	144,183	226,441
Planning and development	109,949	.....
Small tools and equipment	81,165	48,590
Supplies	4,802	16
	463,075	469,601
Surplus (deficit) for the year	\$ 5,056	\$

Saskatchewan Indian Community College

Building Inspectors Part I

Statement of Operations

	Schedule 16	
	<i>Year ended June 30</i>	
	<u>1985</u>	<u>1984</u>
Revenue:		
Funding — Indian and Northern Affairs Canada	\$ 40,000	\$ 40,000
Funding — Employment and Immigration Canada .....	.....	115,774
	<u>40,000</u>	<u>155,774</u>
Expenditures:		
Administration charges .....	.....	10,000
Board travel and honoraria	2,500	1,474
Classroom supplies and texts	1,548	1,542
Contractual services .....	.....	13,050
Employee benefits	12	1,845
Freight .....	.....	318
Other charges	130	500
Printing, binding, and engraving .....	.....	2,939
Rent — equipment	1,000	.....
Rent — grounds and buildings	750	5,000
Salaries	288	61,618
Trainees meals and accommodations	18,649	1,200
Training — students	5,000	.....
Travel and sustenance	10,965	56,836
	<u>40,842</u>	<u>156,322</u>
Surplus (deficit) for the year	<u>\$ (842)</u>	<u>\$ (548)</u>

Saskatoon Region Community College

Auditors' Report

To the Members of the Board

We have examined the balance sheet of the Saskatoon Region Community College as at June 30, 1985 and the statements of revenue and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the college as at June 30, 1985 and the results of its operations for the year then ended in accordance with accounting principles as described in note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Saskatoon, Saskatchewan,
July 23, 1985.

Guthrie & Partners
Chartered Accountants

Operating Fund

As at June 30, 1985.

Assets

	1985	1984
Current Assets		
Cash	\$ 108,400	\$ 44,942
Accounts receivable		
Department of Advanced Education	699,810	405,249
Other	166,562	46,337
Prepaid expenses	31,517	24,850
	1,006,289	521,378
Bursary Fund in Trust	11,500	.....
	1,017,789	521,378

Capital Fund

Assets

	Cost	Accumulated Depreciation		
Fixed Assets (notes 1 and 2)				
Furniture and equipment	\$ 386,655	\$ 197,843	188,812	192,286
Audio-visual equipment	54,288	22,674	31,614	10,489
Leasehold improvements	238,147	84,807	153,340	157,311
	<u>\$ 679,090</u>	<u>\$ 305,324</u>	<u>373,766</u>	<u>360,086</u>
			<u>\$ 1,391,555</u>	<u>\$ 881,464</u>

Saskatoon Region Community College

Operating Fund Liabilities

	1985	1984
Current Liabilities		
Accounts payable and accrued liabilities	\$ 146,441	\$ 188,236
Tuition fees received in advance	39,484	33,730
Accountable advances —		
ABE	248,700	100,000
SSDP	261,000	.....
NSIM	38,300	.....
	733,925	321,966
Bursary Trust Liability	11,500	.....
	745,425	321,966
Equity		
Surplus — Flat Grant Program	201,710	128,758
Surplus — Sponsored Program	70,654	70,654
	272,364	199,412
	1,017,789	521,378

Capital Fund

Equity

Surplus	373,766	360,086
	<u>\$ 1,391,555</u>	<u>\$ 881,464</u>

Statement of Surplus

For the Year Ended June 30, 1985

Operating Fund — Flat Grant Program

	1985	1984
Balance — Beginning of Year	\$ 128,758	\$ 154,001
Net revenue (expenses) for the year	72,952	(25,243)
Balance — End of Year	<u>\$ 201,710</u>	<u>\$ 128,758</u>

Operating Fund — Sponsored Program

Balance — Beginning of Year	\$ 70,654	\$ 70,654
Net revenue for the year .....	.....	.....
Balance — End of Year	<u>\$ 70,654</u>	<u>\$ 70,654</u>

Capital Fund

Balance — Beginning of Year	\$ 360,086	\$ 271,788
Capital assets purchased out of operating fund	94,343	162,127
Depreciation and amortization of fixed assets	(80,663)	(73,166)
Loss on disposal of fixed assets .....	.....	(663)
Balance — End of Year	<u>\$ 373,766</u>	<u>\$ 360,086</u>

Saskatoon Region Community College

Statement of Revenue and Expenses

For the Year Ended June 30, 1985

	Flat Grant Program	Sponsored Program	1985	1984
Revenue (Schedule 1)				
Provincial Government	\$ 1,027,183	\$ 3,247,592	\$ 4,274,775	\$ 2,454,209
Tuition fees	572,138	349,578	921,716	624,334
Other revenue	174,750	.....	174,750	186,703
	<u>1,774,071</u>	<u>3,597,170</u>	<u>5,371,241</u>	<u>3,265,246</u>
Expenses				
Flat grant program (Schedule 2)	1,215,124	.....	1,215,124	1,123,983
Flat grant admin (Schedule 3)	391,652	.....	391,652	376,174
Cost-shared/NSIM program (Schedule 4) .....	.....	2,323,978	2,323,978	1,628,205
SSDP (Schedule 5) .....	.....	1,273,192	1,273,192	.....
	<u>1,606,776</u>	<u>3,597,170</u>	<u>5,203,946</u>	<u>3,128,362</u>
Revenue for the Year Before Capital Transactions	167,295	.....	167,295	136,884
Capital Transactions				
Purchase of fixed assets	94,343	.....	94,343	162,127
Net Revenue (Expenses) for the Year	<u>\$ 72,952</u>	<u>\$</u>	<u>\$ 72,952</u>	<u>\$ (25,243)</u>

Schedule of Revenue

For the Year Ended June 30, 1985

Schedule 1

	Sponsored Programs			1985	1984
	Flat Grant Program	Cost-Shared/ NSIM Program	SSDP Program		
Provincial Government					
Operating grant	\$ 880,980	\$	\$	\$ 880,980	\$ 793,273
Supplemental payments	58,665	.....	.....	58,665	95,259
Sponsored program payments	87,538	1,974,400	1,273,192	3,335,130	1,557,121
Field staff services ...	.....	.....	.....	.....	8,556
	<u>1,027,183</u>	<u>1,974,400</u>	<u>1,273,192</u>	<u>4,274,775</u>	<u>2,454,209</u>
Tuition Fees	657,199	349,578	.....	1,006,777	693,592
Less: Fees refunds ...	(85,061)	.....	.....	(85,061)	(69,258)
	<u>572,138</u>	<u>349,578</u>	<u>.....</u>	<u>921,716</u>	<u>624,334</u>
Other Revenue					
Interest	43,658	.....	.....	43,658	27,933
Rental — office space	13,678	.....	.....	13,678	15,856
Sundry	11,448	.....	.....	11,448	11,329
Resale of material ...	10,553	.....	.....	10,553	6,867
Rental — equipment ..	75,485	.....	.....	75,485	118,465
PESP refunds	9,412	.....	.....	9,412	1,317
SGEU reimbursement	1,586	.....	.....	1,586	4,936
Administration	8,930	.....	.....	8,930	.....
	<u>174,750</u>	<u>.....</u>	<u>.....</u>	<u>174,750</u>	<u>186,703</u>
	<u>\$ 1,774,071</u>	<u>\$ 2,323,978</u>	<u>\$ 1,273,192</u>	<u>\$ 5,371,241</u>	<u>\$ 3,265,246</u>

Saskatoon Region Community College

Schedule of Expenses — Flat Grant Program Direct/Support

For the Year Ended June 30, 1985

Schedule 2

	1985	1984
Salaries and benefits	\$ 853,090	\$ 824,096
Agency payments	127,821	100,575
Advertising and promotion	59,430	43,980
Rentals —		
Building	42,459	46,117
Furniture and Equipment	542	844
Office —		
Postage	10,833	6,010
Supplies and stationery	15,747	14,018
Telephone	13,406	13,205
Cartage	12,055	6,734
Instructional —		
Materials	43,917	37,706
Materials for resale	11,724	5,947
Books	420	1,233
In-service training	4,081	2,987
Repairs and maintenance	326	708
Professional fees	382	1,292
Travel —		
Instructional staff	3,664	5,988
Regular employees	6,987	5,739
Fee assistance	6,627	4,254
Other	1,613	2,550
	<u>\$ 1,215,124</u>	<u>\$ 1,123,983</u>

Schedule of Expenses — Flat Grant Administrative

For the Year Ended June 30, 1985

Schedule 3

	1985	1984
Salaries and benefits	\$ 216,397	\$ 214,760
Board expenses	30,519	22,925
Rentals —		
Office	57,619	58,320
Furniture and equipment	20,436	12,320
Professional services —		
Computer services	3,836	4,691
Audit	1,898	2,771
Legal	140	1,257
Office expenses —		
Supplies and stationery	4,870	4,250
Utilities	8,844	9,644
Small equipment	4	291
Postage	3,611	2,003
Telephone	4,469	4,402
Bank charges	2,177	567
Insurance	1,362	1,502
Cartage	1,008	305
Taxes	15,333	16,288
Sundry	196	1,142
Repairs and maintenance	11,268	11,607
Employees travel	4,565	3,013
In-service training	2,204	2,947
Other	896	1,169
	<u>\$ 391,652</u>	<u>\$ 376,174</u>

Saskatoon Region Community College

Schedule of Expenses — Cost-Shared/NSIM Program

Schedule 4

For the Year Ended June 30, 1985

	1985	1984
Salaries and benefits	\$ 1,686,079	\$ 1,172,372
Rentals —		
Building	230,203	180,692
Office equipment	94,681	59,366
Office —		
Postage	3,419	2,911
Supplies and stationery	17,642	14,550
Telephone	15,674	10,270
Utilities	24,733	21,218
Cartage	5,426	2,517
Other office expenses	12,123	11,874
Taxes	35,776	30,249
Course Costs —		
Agency payments	14,610	8,569
Instructional material	70,475	42,968
Dues and subscriptions	3,758	1,752
Other course costs	15,999	7,949
In-service training	11,411	7,546
Travel	21,354	7,779
Other	841	1,218
Repairs and maintenance —		
Building	46,035	30,799
Equipment	13,739	13,606
	<u>\$ 2,323,978</u>	<u>\$ 1,628,205</u>

Schedule of Expenses — Saskatchewan Skills Development Program (SSDP)

Schedule 5

For the Year Ended June 30, 1985

	1985	1984
Salaries and benefits	\$ 777,952	\$
Rentals —		
Building	167,800	.....
Office equipment	153,494	.....
Office —		
Postage	1,219	.....
Supplies and stationery	18,569	.....
Telephone	9,864	.....
Cartage	4,704	.....
Other office expenses	9,908	.....
Course Costs —		
Agency payment	16,951	.....
Instructional material	75,757	.....
Dues and subscriptions	1,668	.....
Other course costs	9,600	.....
In-service training	4,350	.....
Travel	4,384	.....
Other	641	.....
Repairs and maintenance —		
Building	13,632	.....
Equipment	2,699	.....
	<u>\$ 1,273,192</u>	<u>\$</u>

Saskatoon Region Community College

Notes to Financial Statements

For the Year Ended June 30, 1985

1. Accounting Policies

General

The accounting policies followed by the College are in accordance with accounting procedures outlined for Saskatchewan Community Colleges.

Operating Fund

All activities of the College are accounted for in the operating fund. Payments on fixed asset purchases are recorded as an expense of the operating fund.

Revenue and expenses, and the resulting surplus or deficit, in the operating fund are separated into flat grant program and sponsored program. Each surplus is designated to offset future expenses of the respective program and is not available for appropriation by any other program.

Capital Fund

Fixed assets are recorded at cost in the capital fund in the year of acquisition. Donated fixed assets are recorded at their estimated fair market value at the time of the donation.

On disposal of fixed assets, the net book value is removed from fixed assets and any associated gain or loss on disposal is reflected as an increase or decrease of capital fund surplus.

Depreciation

Since the cost of fixed assets is recorded as an expense in the year of acquisition, no provision for depreciation is recorded in the operating fund. Depreciation is reported as a direct reduction of the surplus in the capital fund and respective fixed assets are shown net of accumulated depreciation.

Depreciation in the capital fund is provided using the declining balance method at the annual rate of 20% for furniture and equipment and for audio-visual equipment. Amortization of leasehold improvements is calculated on a straight-line basis over the respective lease term.

2. Long-Term Lease

Lease payments, under a building lease expiring in 1992, for administrative and program facilities, are \$216,000 per annum until 1987, with the annual rental for the remaining term to be negotiated.

South East Region Community College

Auditor's Report

To the Board of Directors

We have examined the balance sheets of the South East Region Community College as at June 30, 1985 and the statements of revenue and expenditures, capital fund surplus, current operating fund surplus, appropriated surplus and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1985 and the results of its operations for the year then ended, in accordance with the stated basis of accounting applied on a basis consistent with that of the preceding year.

Weyburn, Saskatchewan,
July 29, 1985.

Fred V. Milleker
Chartered Accountant

Capital Fund Balance Sheet

As at June 30, 1985

Assets

	Cost	Accumulated depreciation	1985	1984
Teaching aid equipment	\$ 47,696	\$ 36,648	\$ 11,048	\$ 17,313
Office equipment	85,906	49,190	36,716	11,565
	<u>\$ 133,602</u>	<u>\$ 85,838</u>	<u>\$ 47,764</u>	<u>\$ 28,878</u>

Capital Surplus

Equity in Capital Assets	\$ 47,764	\$ 28,878
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Current Operating Fund Balance Sheet

As at June 30, 1985

Assets

Current Assets

	1985	1984
Cash	\$ 34,239	\$ 128,970
Accounts receivable	110,498	52,641
Inventory of program supplies, text books and office supplies — at cost	12,640	11,356
Prepaid expenses	6,026	6,495
	<u>163,403</u>	<u>199,462</u>

Other Assets

Meter deposits	190	190
	<u>\$ 163,593</u>	<u>\$ 199,652</u>

Liabilities

Current Liabilities

Accounts payable	\$ 20,078	\$ 55,239
Prepaid tuition	725	225
Advance payable — Department of Advanced Education and Manpower	65,000	55,000
	<u>85,803</u>	<u>110,464</u>

Surplus

Surplus — Appropriated	.....	2,000
Surplus — Unappropriated	77,790	87,188
	<u>77,790</u>	<u>89,188</u>
	<u>\$ 163,593</u>	<u>\$ 199,652</u>

South East Region Community College

Statement of Capital Fund Surplus

For the Year Ended June 30, 1985

	1985	1984
Balance — Beginning of Year	\$ 28,878	\$ 33,341
Add: Capital Expenditure from revenue	30,827	2,756
	59,705	36,097
Less: Depreciation for the year	11,941	7,219
Balance — End of Year	<u>\$ 47,764</u>	<u>\$ 28,878</u>

Statement of Appropriated Surplus

For the Year Ended June 30, 1985

Balance — Beginning of Year	\$ 2,000	\$ 2,000
Transferred to current year's operations	2,000	.....
Balance — End of Year	<u>\$</u>	<u>\$ 2,000</u>

Statement of Current Operating Fund Surplus

For the Year Ended June 30, 1985

Balance — Beginning of Year	\$ 87,188	\$ 85,199
Transfer from appropriated equity	2,000	.....
Prior year's adjustment	(2,363)	(868)
	86,825	84,331
Excess (expenditure) revenue for the year	(9,035)	2,857
Balance — End of Year	<u>\$ 77,790</u>	<u>\$ 87,188</u>

Statement of Changes in Fund Balance

For the Year Ended June 30, 1985

	Current Operating Fund		Capital Fund	
	1985	1984	1985	1984
(Deficit) Surplus for the year	\$ (9,035)	\$ 2,857	\$ .....	.....
Add: Transfers from Revenue fund to				
Capital fund — capital expenditures .....	.....	.....	30,827	2,756
Transfers to Reserve .....	.....	.....	.....	.....
Lease payment from S.T.I. ....	.....	14,109	.....	.....
	(9,035)	16,966	30,827	2,756
Less: Capital Expenditure .....	.....	.....	30,827	2,756
Prior year's adjustment	2,363	868	.....	.....
Payment on loan interest .....	.....	379	.....	.....
Payment on loan principal .....	.....	13,760	.....	.....
	(2,363)	15,007	30,827	2,756
Net (decrease) increase for the year	(11,398)	1,959	.....	.....
Fund Balance — Beginning of Year	88,998	87,039	.....	.....
Fund Balance — End of Year	<u>\$ 77,600</u>	<u>\$ 88,998</u>	<u>\$</u>	<u>\$</u>

South East Region Community College

Current Operating Fund

Statement of Revenue and Expenditures

For the Year Ended June 30, 1985

	Un-sponsored Programs		Sponsored Programs		Total
	1985	1984	1985	1984	1985
Revenue					1984
Operating grant	\$	610,473 \$	 \$	 \$	610,473
Sponsored program payments .....		.....	466,776	302,329	302,329
Tuition fees	156,293	187,169	3,250	56	187,225
Department field staff recovery .....	.....	1,935	.....	.....	1,935
Interest revenue	7,696	10,704	.....	.....	10,704
Accommodation certificate centre .....	.....	.....	3,062	10,301	10,301
Miscellaneous revenue	14,688	20,789	.....	.....	14,688
Administration recovery .....	.....	.....	118,270	83,224	83,224
Language funding .....	.....	.....	1,568	650	1,568
Total Revenue	837,117	831,070	592,926	396,560	1,430,043
Expenditures					
Program expenses — direct (Schedule 1)	209,637	260,618	473,746	306,511	567,129
— supportive (Schedule 2)	392,094	367,349	96,549	73,047	440,396
Administration expense — (Schedule 3)	236,225	214,492	.....	.....	214,492
Total Expenditures	837,956	842,459	570,295	379,558	1,222,017
Excess of Revenue Over Expenditure	(839)	(11,389)	22,631	17,002	5,613
Transferred to Capital Fund	2,245	2,361	28,582	395	2,756
(Deficit) Surplus for the Year	\$ (3,084)	\$ (13,750)	\$ (5,951)	\$ 16,607	\$ (9,035)
					2,857

South East Region Community College

Schedule 1

Schedule of Direct Program Expenses For the Year Ended June 30, 1985

	Un-sponsored Programs		Sponsored Programs		Total
	1985	1984	1985	1984	1985
Advertising	\$ 16,115	\$ 15,251	\$ 10,992	\$ 6,318	\$ 27,107
Agency payments	54,765	44,769	1,580	5,328	56,345
Instructor in-service training	1,047	1,537	1,033	1,609	2,080
Supplies and materials	851	481	32,945	15,099	33,796
Contracted services .....	.....	726	.....	.....	.....
Administration	791	3,253	1,903	3,803	2,694
Telephone and postage	355	.....	3,384	2,143	3,739
Cartage	454	1,500	1,758	1,187	2,212
Facility rental	22,572	38,043	68,811	44,074	91,383
Equipment rental	9,447	10,751	10,024	5,975	19,471
Equipment repairs .....	.....	.....	1,399	4,147	1,399
Instruction expense	79,335	111,143	325,907	199,462	405,242
Employee benefits — U.I.C. and C.P.P.	1,144	1,615	.....	.....	1,144
Workers' Compensation Insurance	332	496	446	799	778
Travel	19,102	23,923	13,564	16,367	32,666
Program development	3,327	7,130	.....	.....	3,327
	\$ 209,637	\$ 260,618	\$ 473,746	\$ 306,511	\$ 683,383
					\$ 567,129

South East Region Community College

Schedule 2

Schedule of Supportive Program Expenses For the Year Ended June 30, 1985

	Un-sponsored Program		Sponsored Program		Total
	1985	1984	1985	1984	1985
Advertising	\$ 10,455	\$ 7,644	\$	\$	\$ 10,455
Postage	13,442	11,436	.....	.....	24,878
Supplies and materials	13,372	12,064	.....	.....	25,436
Subscriptions and instructional materials	1,444	1,304	.....	.....	2,748
Telephone	17,730	17,350	3,991	5,020	26,711
Branch office rental	9,076	8,177	.....	.....	17,253
Branch office utilities	934	403	.....	.....	1,337
Branch office equipment repairs	1,577	528	.....	.....	2,105
Equipment rental	4,426	4,072	227	333	8,858
Janitorial services	2,620	2,007	.....	.....	4,627
Repairs and maintenance .....	.....	.....	.....	.....	.....
Repairs — teaching aids	2,492	1,433	.....	.....	3,925
Salaries — administrative	150,935	154,043	56,779	38,964	243,717
Salaries — clerical	104,701	95,862	20,221	19,881	220,663
Employee benefits — U.I.C. and C.P.P.	10,377	8,260	2,851	1,746	23,234
— Pension	14,490	15,897	3,399	2,710	36,496
— Insurance plan	2,654	3,424	728	674	7,480
Workers' Compensation insurance	634	853	.....	205	1,492
Travel	17,296	18,899	6,052	3,514	35,751
In-service training	1,221	1,143	.....	.....	2,364
Contact committee expense	3,335	2,550	.....	.....	5,885
Staff employment expense	1,176	.....	.....	.....	1,176
Career services materials	7,707	.....	.....	.....	7,707
	\$ 392,094	\$ 367,349	\$ 96,549	\$ 73,047	\$ 461,990

South East Region Community College

Schedule of Administrative Expenses

For the Year Ended June 30, 1985

Schedule 3

	1985	1984
Board member travel	\$ 6,525	\$ 4,724
Board honoraria	11,102	8,277
Board employee benefits	59	117
Other board expenses	2,186	1,813
Trustees Association dues	2,652	2,179
In-service training	400	1,035
Bank charges	174	67
Dues and subscriptions	328	624
Reference books and manuals	77	437
Insurance	1,095	1,071
Postage	4,481	3,813
Office supplies	4,238	4,022
Telephone	7,240	5,783
Utilities	3,557	3,111
Freight	996	946
Audit and legal	3,200	3,337
Office rent	28,352	25,240
Office equipment rent	8,582	6,651
Janitorial expense	1,565	1,690
Repairs and maintenance	2,004	1,459
Salaries — Administration officers	83,888	78,797
— Clerical staff	39,816	39,195
Employee benefits — U.I.C. and C.P.P.	4,020	3,724
— Pension plan	6,849	6,834
— Insurance plan	1,222	1,145
Workers' Compensation insurance	274	378
Travel and conference expense	6,841	8,023
Staff employment expense	4,407	.....
Other	95	.....
	<u>\$ 236,225</u>	<u>\$ 214,492</u>

Notes to Financial Statements

June 30, 1985

1. Summary of Significant Accounting Policies:

These balance sheets and abstracts have been prepared in accordance with accounting practices which vary in certain respects from generally accepted accounting principles. The more significant practices are as follows:

Fund Accounting:

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system, to segregate those transactions of a particular activity. These funds are:

(a) Current Operating Fund

This fund contains the current revenues, expenditures, assets, and liabilities pertaining to the general operations of the entity. Included in current operating fund expenditures are transfers to the capital fund for purchase of capital assets.

(b) Capital Fund

The capital fund contains the capital assets which are teaching aids and office equipment, pertaining to the capital fund and the equity in the capital fund assets.

Purchases of equipment are financed either by transfers from the current operating fund, capital grants, sale of property and equipment, and capital loans. Depreciation is provided on the equipment using the declining balance method at the annual rate of 20%.

Westside Community College

Auditors' Report

Board of Directors
Westside Community College

We have examined the Operating Fund and Capital Fund balance sheets of the Westside Community College as at June 30, 1985, and the statement of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1985, and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Saskatoon, Saskatchewan,
August 9, 1985.

Brown, Riggs & Russell
Chartered Accountants

Balance Sheet — Operating Fund

June 30, 1985

Exhibit 1

Assets

	1985	1984
Current:		
Bank	\$	\$ 22,709
Accounts receivable (Note 2)	303,079	153,293
Prepaid expenses	9,267	8,570
	<u>\$ 312,346</u>	<u>\$ 184,572</u>

Liabilities

Current:

Cheques written in excess of bank balance	\$ 101,158	\$
Accounts payable — trade	9,896	5,601
— Province of Saskatchewan (Note 3)	26,136	29,801
Demand loan	40,000	.....
Deferred revenue	6,483	2,500
	<u>183,673</u>	<u>37,902</u>

Fund Balance

Surplus, beginning of the year	146,670	67,926
Excess (Deficiency) of Revenue over Expenditures	(17,997)	78,744
Surplus, end of the year	<u>128,673</u>	<u>146,670</u>
	<u>\$ 312,346</u>	<u>\$ 184,572</u>

The accompanying notes are an integral part of these financial statements.

Westside Community College

Statement of Revenue and Expenditures for the year ended June 30, 1985

Exhibit 2

	1985	1984
Revenue:		
Program Fund — Department of Advanced Education and Manpower	\$ 778,732	\$ 650,297
— Department of Indian Affairs	40,000	.....
	<u>\$ 818,732</u>	<u>\$ 650,297</u>
Training Centre Fund — Department of Advanced Education and Manpower	523,873	484,732
Administration Fund — Department of Advanced Education and Manpower	436,800	415,990
— Other sponsored programs	137,309	25,149
— Rentals	23,713	33,263
— Tuition fees	13,484	8,391
— Interest	1,205	7,644
— Administration charges	101,193	88,666
— Sundry	4,427	3,788
	<u>718,131</u>	<u>582,891</u>
	<u>2,060,736</u>	<u>1,717,920</u>
Expenditures:		
Program Fund (Schedule 1)	818,732	650,297
Training Centre Fund (Schedule 2)	523,873	484,732
Administration Fund (Schedule 3)	711,162	453,915
Contribution to Capital Fund	24,966	50,232
	<u>2,078,733</u>	<u>1,639,176</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (17,997)</u>	<u>\$ 78,744</u>

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements for the year ended June 30, 1985

Exhibit 3

1. Significant Accounting Policies:

Fixed Assets —

Fixed assets are expensed against operations in the year they are purchased. Fixed assets are reported in a separate Capital Fund and therefore are not reflected on the balance sheet of the Administration Fund.

Operations —

Revenues and expenditures include the operations of the College's three funds — Administration Fund, Program Fund and Training Centre Fund. The operations from the Program Fund and Training Centre Fund were previously reported in separate financial statements. However, since the operations have all been included in one summary financial statement for 1985 with comparative figures for 1984.

2. Accounts Receivable:

The balance represents unpaid billings that the College has submitted to the Department of Advanced Education and Manpower — Northern Branch of the Province of Saskatchewan.

3. Account Payable — Province of Saskatchewan:

The account payable represents amounts collected by the College for rents collected on trailers purchased by the Program Fund and for meals served which were paid for out of Training Centre operating funds.

4. Comparative Figures:

The prior year's figures have been reclassified to reflect the combination of transactions from the College's three funds, as described in Note 1 — Operations.

Westside Community College

Schedule of Expenditures — Program Fund

for the year ended June 30, 1985

Exhibit 4
Schedule 1

Advertising and Promotion:

	1985	1984
Advertising	\$ 346	\$ 105
Course Costs:		
Agency payments	8,484	6,398
Reference and library books	51,077	15,077
In-service training	1,075	2,445
Instructional materials and supplies	69,087	60,439
Research and consultation	743	2,881
Capital expenditures	6,237	27,148
Other	2,969	2,846
Training allowance	9,085	.....
	<u>148,757</u>	<u>117,234</u>
Program Office Expenses:		
Dues and subscriptions	364	573
Licences and taxes	309	375
Telephone and telecommunications	5,154	2,824
Utilities and services	38,191	25,401
Freight	10,957	3,104
Other	2,278	4,306
	<u>57,253</u>	<u>36,583</u>
Rentals:		
Grounds and buildings	29,066	44,545
Automobiles	1,350	200
Instructional equipment	38,805	33,799
Other	2,229	742
	<u>71,450</u>	<u>79,286</u>
Repairs and Maintenance:		
Building and structures	33,120	36,885
Equipment	2,226	2,018
	<u>35,346</u>	<u>38,903</u>
Salaries and Employee Benefits:		
Salaries — Janitorial	13,373	12,700
— Instructors	396,608	290,045
— Other	48	10,452
Employee benefits	19,151	13,092
	<u>429,180</u>	<u>326,289</u>
Travel Expenses:		
Travel and conferences — Instructors	19,949	32,105
— Trainees	50,949	16,668
Field trips	5,502	3,124
	<u>76,400</u>	<u>51,897</u>
	<u>\$ 818,732</u>	<u>\$ 650,297</u>

The accompanying notes are an integral part of these financial statements.

Westside Community College

Schedule of Expenditures — Training Centre Fund for the year ended June 30, 1985

Exhibit 4 Schedule 2 1984

Expenditures:

	1985	1984
Salaries	\$ 253,998	\$ 284,775
Rent	88,253	88,593
Repairs and maintenance	49,115	7,615
Residence materials and supplies	8,127	9,236
Groceries	57,235	56,758
Travel	2,945	7,907
Utilities	17,288	11,656
Phone	5,253	3,619
Freight	2,683	1,464
Office	6,564	3,065
Legal and audit	2,550	5,560
Other .....	.....	454
Training	295	995
Advertising and public relations .....	.....	881
Recreation supplies	4,315	2,154
Capital expenditures	25,252	.....
	<u>\$ 523,873</u>	<u>\$ 484,732</u>

The accompanying notes are an integral part of these financial statements.

Westside Community College

Schedule of Expenses — Administration Fund for the year ended June 30, 1985

Exhibit 4 Schedule 3

	1985	1984
Administration and Program Support:		
Advertising and promotion	\$ 4,255	\$ 1,780
Instructional materials	20,394	19,363
Board of Directors — Honorarium	9,650	7,900
— Travel	27,194	23,926
— Memberships and other	6,979	4,216
Contact Committee honorarium	3,029	2,593
Staff development	1,935	3,482
Bank charges and interest	1,791	723
Subscriptions	1,066	186
Insurance	14,011	15,919
Taxes	1,506	3,215
Postage	3,161	2,588
Office supplies	16,070	14,991
Telephone	17,978	13,672
Utilities	10,634	7,772
Freight	772	596
Legal and audit	6,420	10,195
Consulting .....	.....	2,346
Rentals	30,583	23,133
Building repairs	12,008	3,197
Equipment repairs	477	217
Vehicle expenses	21,387	8,312
Travel	44,554	41,247
Sundry costs .....	.....	5,810
Instructional contract	19,325	.....
	<u>275,179</u>	<u>217,379</u>
Personnel:		
Salaries — Administrative staff	103,273	137,240
— Program support	156,731	51,099
— Janitorial	13,570	6,846
Employee benefits	25,100	16,202
	<u>298,674</u>	<u>211,387</u>
Other Sponsored Programs:		
Advertising	539	.....
Facility operation	4,562	.....
Rentals	10,437	.....
Repairs and maintenance	455	.....
Consultation	4,336	.....
Salaries	49,744	25,149
Employee benefits	1,682	.....
Travel	58,369	.....
Training	3,552	.....
Reference materials	1,133	.....
Administration	2,500	.....
	<u>137,309</u>	<u>25,149</u>
	<u>\$ 711,162</u>	<u>\$ 453,915</u>

The accompanying notes are an integral part of these financial statements.

Westside Community College

Balance Sheet — Capital Fund

June 30, 1985

Exhibit 5

Assets

	1985	1984
Land	\$ 500	\$ 500
Buildings	255,036	253,036
Equipment	104,539	97,925
Furniture and fixtures	43,523	40,931
Automotive	85,828	72,068
	<u>489,426</u>	<u>464,460</u>
Less — Accumulated depreciation	282,488	240,042
	<u>\$ 206,938</u>	<u>\$ 224,418</u>

Fund Surplus

Balance, beginning of the year as previously reported	\$ 469,927	\$ 426,085
Prior period adjustments (Note 3)	245,509	199,946
Balance, as restated	<u>224,418</u>	<u>226,139</u>
Plus contributions (Note 2):		
Administration Fund	24,966	50,232
Proceeds from disposal .....	.....	2,525
Insurance proceeds .....	.....	1,585
	<u>24,966</u>	<u>54,342</u>
Less — Disposals .....	.....	10,500
— Provision for depreciation	42,446	45,563
	<u>42,446</u>	<u>56,063</u>
Balance, end of the year	<u>\$ 206,938</u>	<u>\$ 224,418</u>

The accompanying notes are an integral part of these financial statements.

Westside Community College

Notes to the Financial Statements

for the year ended June 30, 1985

Exhibit 6

1. Significant Accounting Policies:

Depreciation —

Depreciation is recorded on the declining balance basis at the following rates:

Building	5%
Equipment, furniture and fixtures	20%
Automotive	30%

Fixed Assets —

	1985		1984	
	Cost	Accumulated Depreciation	Net	Net
Land	\$ 500	\$	\$ 500	\$ 500
Buildings	255,036	143,895	111,141	121,490
Equipment	104,539	59,576	44,963	49,590
Furniture and fixtures	43,523	27,889	15,634	17,025
Automotive	85,828	51,128	34,700	35,813
	<u>\$ 489,426</u>	<u>\$ 282,488</u>	<u>\$ 206,938</u>	<u>\$ 224,418</u>

2. Contribution to Fund Surplus:

Acquisition of fixed assets are charged as expenditures in the operating fund of the college.

The following additions and disposals of fixed assets were incurred during the 1985 fiscal period:

Additions:

Equipment — Binding machine	\$ 446
— Camera	630
— Projectors (2)	2,206
— Cassette recorder	240
— T.V.	520
— Video cassette recorder	572
— Fork lift	2,000
	<u>6,614</u>
Vehicles — 1985 Dodge D100	11,760
— 1975 Ford F150 Supercab	2,000
	<u>13,760</u>
Furniture and Fixtures — Filing cabinets (2)	745
— Display racks	1,847
	<u>2,592</u>
Buildings — Office trailer	2,000
Total Additions	<u>\$ 24,966</u>

3. Prior Period Adjustments:

In prior year, the College did not record any provision for depreciation of fixed assets. Generally accepted accounting principles require that depreciation be recorded in the financial statements. Consequently, the financial statements reflect a retroactive application of a change in accounting policy to reflect depreciation charges since inception of the College in 1977, based on the rates stated in Note 1.

Also, a vehicle which was disposed of in a prior year had not been removed from the carrying value of automotive equipment. This error has now been corrected on a retroactive basis.

Cattle Marketing Deductions Fund

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of receipts and payments of the Cattle Marketing Deductions Fund for the year ended March 31, 1986. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the trust fund at March 31, 1986 and its receipts and payments for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 5, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement of Receipts and Payments

Year Ended March 31, 1986

(with comparative figures at March 31, 1985)

	1986	1985
Receipts		
Collections under sections 3 and 4 of The Cattle Marketing Deductions Act and regulations	\$ 500,940	\$ 543,748
Less: Commissions on collections	19,678	21,224
	481,262	522,524
Bank and investment interest	36,337	12,848
Total receipts	517,599	535,372
Payments		
Grants (Schedule 1)	377,057	288,595
Advisory Committee expenses	1,999	2,767
Refund of deductions	12,418	11,471
Total payments	391,474	302,833
Excess of receipts over payments	126,125	232,539
Total cash and investments, beginning of year	334,232	101,693
Total cash and investments, end of year	\$ 460,357	\$ 334,232

(See accompanying notes to the financial statements)

Notes to Financial Statement

March 31, 1986

1. Accounting Policy

- These financial statements are prepared on a cash basis, whereby revenues are recorded as collected and expenditures are charged to the accounts as payments are made. Accordingly, the financial position of the fund at March 31, 1986, does not include accounts receivable of \$89,768 (1985 — \$93,357), accrued interest receivable of \$1,252 (1985 — \$4,821), commissions payable of \$3,591 (1985 — \$3,734), and accounts payable of \$89 (1985 — \$1,103).
- The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

2. Legislative Authority

- Pursuant to the provisions of The Cattle Marketing Voluntary Deductions Amendment Act, 1983 proclaimed into force August 29, 1983, the Cattle Marketing Voluntary Deductions Act Trust Fund was continued as the Cattle Marketing Deductions Fund and the assets and liabilities of the Cattle Marketing Voluntary Deductions Act Trust Fund were deemed to be the assets and liabilities of the fund.
- The fund is administered by an Advisory Committee established under the Act who authorize all expenditures from the fund subject to the approval of the Minister of Agriculture.

Cattle Marketing Deductions Fund

Schedule of Grants

Year Ended March 31, 1986

		1986	Schedule 1 1985
Saskatchewan Stock Grower's Association in respect of the Saskatchewan Beef Information Centre	\$	3,500	\$
Canadian Cattlemen's Association in support of National Beef Information Centre		95,250	125,794
Canadian Cattlemen's Association in support of the National Advertising Campaign		117,500	90,000
Veterinary Infectious Disease Organization		50,000	50,000
Saskatchewan Artificial Breeders Association		56,207	21,901
Saskatchewan Cattle Feeders' Association .....		.....	900
University of Saskatchewan — Animal and Poultry Science		54,250	.....
Saskatchewan Agriculture Hall of Fame		350	.....
	\$	377,057	\$ 288,595

Horned Cattle Fund

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Horned Cattle Fund as at March 31, 1986 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 12, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

March 31, 1986

(with comparative figures at March 31, 1985)

Statement 1

	1986	1985
Assets		
Current:		
Cash	\$ 37,447	\$ 61,589
Marketable securities, at cost which approximates market	138,558	108,914
Accrued interest receivable	1,392	1,086
Inventory of cattle (Note 3)	397,068	399,060
	<u>\$ 574,465</u>	<u>\$ 570,649</u>
Liabilities and Operating Surplus		
Current Liabilities:		
Accounts payable	\$ 755	\$ 4,035
Operating surplus — Statement 2	573,710	566,614
	<u>\$ 574,465</u>	<u>\$ 570,649</u>

(See accompanying notes to the financial statements)

Horned Cattle Fund

Statement of Revenue, Expenditure and Operating Surplus

Year Ended March 31, 1986

(with comparative figures for the previous year)

Statement 2

	1986	1985
Revenue		
Collections under Section 3 and 4 of The Horned Cattle Purchases Act ...	\$ 196,965	\$ 216,216
Less: Commission on collections	19,624	21,472
	177,341	194,744
Revenue from Pathlow Beef Project (Note 3)	190,816	261,923
Miscellaneous revenue	3,918	.....
Bank and investment interest	11,972	5,523
Total revenue	384,047	462,190
Expenditure		
Grants (Schedule 1)	174,482	161,324
Pathlow Beef Research Project — operating costs	199,264	188,842
Department of Agriculture — The Horned Cattle Purchases Act		
Advisory Committee — meeting expenses	3,205	3,743
Total expenditure	376,951	353,909
Excess of revenue over expenditure (expenditure over revenue)	7,096	108,281
Operating surplus, beginning of year	566,614	458,333
Operating surplus, end of year	\$ 573,710	\$ 566,614

(See accompanying notes to the financial statements)

Statement of Changes in Financial Position

Year Ended March 31, 1986

(with comparative figures for the previous year)

Statement 3

	1986	1985
Cash provided by operating activities:		
Excess revenue over expenditure	\$ 7,096	\$ 108,281
Net change in non-cash working capital balances to operations*	(1,594)	(37,703)
Total cash provided by operating activities	5,502	70,578
Cash position at beginning of year	170,503	99,925
Cash position at end of year	\$ 176,005	\$ 170,503
Cash position comprises cash and marketable securities		
*Accrued interest receivable	\$ (306)	\$ (1,047)
Inventory	1,992	(37,381)
Accounts payable	(3,280)	725
	\$ (1,594)	\$ (37,703)

(See accompanying notes to the financial statements)

Horned Cattle Trust Fund

Notes to Financial Statements

March 31, 1986

1. Accounting Policy

- (a) The financial statements of the Horned Cattle Fund are prepared on a modified accrual basis of accounting where revenue and expenditures are accounted for on an accrual basis, except as follows: Collections and grant payments under The Horned Cattle Purchases Act are recognized in the accounts on a cash basis. Accordingly, accounts receivable of \$32,595 (1985 — \$36,858) and commissions payable of \$3,260 (1985 — \$3,686) are not included in this statement.
- (b) The Fund has not been charged with any occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.
- (c) Cattle inventory is valued at approximate realizable value at the fiscal year end. (Note 3)

2. Legislative Authority

Pursuant to the provisions of The Horned Cattle Purchases Amendment Act, 1983 proclaimed into force October 1, 1983, the Horned Cattle Trust Fund was continued as the Horned Cattle Fund and the assets and liabilities of the Horned Cattle Trust Fund are deemed to be the assets and liabilities of the Fund.

The purpose of this Fund is to promote research and development in the livestock industry.

3. Inventory of Cattle

In view of the difficulty which exists in assigning on a rational basis the costs of production to animals at various stages of maturity and since the correlation between costs and revenue is not nearly as close as in most businesses, the inventory of cattle held in connection with the Pathlow Beef Research Project has been valued at approximate realizable value at the fiscal year end. The corresponding changes in inventory from one year to the next have been described as Appreciation (decline) in value of opening herd.

Revenue from Pathlow Beef Project

	1986	1985
Cattle sales and natural increase in herd	\$ 210,775	\$ 218,321
Appreciation (decline) in value of opening herd	(19,959)	43,602
Total revenue	<u>\$ 190,816</u>	<u>\$ 261,923</u>

Schedule of Grants

Year Ended March 31, 1986

(with comparative figures for the previous year)

Schedule 1

	1986	1985
Western College of Veterinary Medicine	\$ 45,250	\$ 81,500
Canadian Western Agribition Association	35,000	35,000
Biosystems Consulting Ltd. (Black Fly Project)	24,000	14,000
Saskatchewan Holstein-Friesian Association	12,000	12,000
University of Saskatchewan (Department of Animal and Poultry Science) ...	15,370	.....
Saskatchewan Association of Rural Municipalities .....	.....	7,000
Rosthern Agricultural Society .....	.....	5,000
Twin H Cattle Co. Ltd. ....	.....	5,000
Saskatchewan Angus Association .....	.....	1,000
Ivan Grant .....	.....	824
Ag. Canada Melfort Research Station	552	.....
Melfort Agricultural Society	17,560	.....
Perdue Agricultural Society	2,750	.....
Saskatchewan Hereford Association	2,000	.....
Saskatchewan Artificial Breeders Co-operative	20,000	.....
	<u>\$ 174,482</u>	<u>\$ 161,324</u>

(See accompanying notes to the financial statements)

Assurance Fund

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Assurance Fund as at March 31, 1986 and the statement of receipts, payments and transfers to Consolidated Fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
August 23, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at March 31, 1986

Statement 1

	1986	1985
Assets		
Cash	\$ 2,719	\$ 2,719
10% Province of Saskatchewan, Debentures, December 21, 1988 at cost (market value — \$77,288 1985 — \$73,313)	72,281	72,281
	<u>\$ 75,000</u>	<u>\$ 75,000</u>
Liabilities		
Fund balance (Note 4)	\$ 75,000	\$ 75,000

(See accompanying notes to the financial statements)

Statement of Receipts, Payments and Transfers to Consolidated Fund

Year Ended March 31, 1986

Statement 2

	1986	1985
Receipts:		
Fees: Land Titles Registration District (Note 3)		
— Battleford	\$ 8,576	\$ 8,977
— Humboldt	5,114	4,895
— Moose Jaw	6,848	8,989
— Prince Albert	10,636	10,243
— Regina	30,442	39,457
— Saskatoon	29,885	28,293
— Swift Current	6,482	7,145
— Yorkton	4,698	4,607
	<u>102,681</u>	<u>112,606</u>
Other:		
Sale of investment .....	.....	74,812
Interest	8,063	12,001
Claim recovery	6,327	1,871
Other	721	.....
Total receipts	<u>\$ 117,792</u>	<u>\$ 201,290</u>
Payments:		
Purchase of investment .....	.....	72,281
Claims incurred (Note 2(b))	44,085	6,443
Total Payments	<u>44,085</u>	<u>78,724</u>
Increase in cash balance .....	.....	2,531
	<u>44,085</u>	<u>81,255</u>
Transfers to Consolidated Fund (Note 4)	<u>\$ 73,707</u>	<u>\$ 120,035</u>

(See accompanying notes to the financial statements)

Assurance Fund

Notes to Financial Statements

March 31, 1986

1. Accounting Policy

- (a) The Assurance Fund has adopted the modified cash basis of accounting wherein revenue is recorded as collected and expenditures are recorded when payments are made except that revenue of the current fiscal year received prior to April 30 of the next fiscal year is recorded as revenue of the period, and expenditures for goods or services rendered before March 31 and paid before April 30 of the next fiscal year are recorded as expenditures for the period.
- (b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Justice.

2. Legislative Authority

- (a) The fund was established pursuant to Section 106 of The Territories Real Property Act, the Statutes of Canada, 1886, and pursuant to Section 236 of The Land Titles Act is held by the Minister of Finance as trust moneys.
- (b) The fund, in accordance with the provisions of Sections 197 and 198 of The Land Titles Act, is used to pay the amount of any judgement recovered against the registrar by any person who sustained a loss or damage, through an omission, mistake or misfeasance of the registrar or an official in his office in the execution of his duties.

3. Fees

The Land Titles Fees Regulations (O.C. 1004/83), issued pursuant to Section 233 of The Land Titles Act, as amended by The Land Titles Amendment Act, 1981 which came into force August 1, 1983, provides that the fund shall receive 1% of all fees actually received by each registrar. Prior to August 1, 1983 the fund received one-fifth of one percent of either the value of the land granted, transferred or transmitted or of the increase in the value of the land since the grant of the last certificates of title if the value amounts to or less than \$5,000 and one tenth of one percent on the additional value when the value exceeds \$5,000. Further, the fund also received one cent and a half in respect of every acre of land described in the transfer if the interest transferred was minerals only.

4. Transfers to Consolidated Fund

Pursuant to the provisions in Section 236(3) of The Land Titles Act, the Lieutenant Governor in Council has directed that sums in excess of \$75,000 be transferred to and form part of the Consolidated Fund.

Public Employees Dental Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Public Employees Dental Fund as at December 31, 1985 and the statement of revenue, expenses and fund balance and changes in cash resources for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with the previous year.

Regina, Saskatchewan,
September 11, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement of Financial Position

As at December 31

Statement 1

	1985	1984
Assets		
Cash	\$ 1,336,863	\$ 1,071,500
Short-term investments (at cost which approximates market value)	1,783,393	1,030,000
Accounts receivable	196,687	425,512
Total Assets	\$ 3,316,943	\$ 2,527,012
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 24,138	\$ 7,277
Unpaid claims	172,680	143,808
	196,818	151,085
Fund balance (Statement 2)	3,120,125	2,375,927
Total liabilities and fund balance	\$ 3,316,943	\$ 2,527,012

(See accompanying notes to the financial statements)

Statement of Revenue, Expenses and Fund Balance

Year Ended December 31

Statement 2

	1985	1984
Revenue:		
Contributions	\$ 2,064,454	\$ 2,051,434
Interest	232,840	229,396
Other	392	5,614
	2,297,686	2,286,444
Expenses:		
Adjudication fees	102,164	103,657
Claims	1,451,324	1,394,007
	1,553,488	1,497,664
Excess of revenue over expenses	744,198	788,780
Fund balance, beginning of year	2,375,927	1,587,147
Fund balance, end of year	\$ 3,120,125	\$ 2,375,927

(See accompanying notes to the financial statements)

Public Employees Dental Fund

Statement of Changes in Cash Resources

Year Ended December 31

Statement 3

	1985	1984
Cash provided by (used in):		
Operating Activities		
Contributions Received	\$ 2,294,658	\$ 676,198
Investment Income Received	226,307	228,899
Other Income Received	392	5,614
Claims Paid	(1,406,019)	(1,391,621)
Adjudication Fees Paid	(96,582)	(104,000)
Net Increase (decrease) in cash position	1,018,756	(584,910)
Cash position, beginning of year	2,101,500	2,686,410
Cash position, end of year	<u>\$ 3,120,256</u>	<u>\$ 2,101,500</u>
Represented by:		
Cash	\$ 1,336,863	\$ 1,071,500
Short-term investments	1,783,393	1,030,000
	<u>\$ 3,120,256</u>	<u>\$ 2,101,500</u>

(See accompanying notes to the financial statements)

Notes to Financial Statements

December 31, 1985

1. Description of the Plan

The Public Employees Dental Plan, which came into effect February 1, 1982, was established under the provision of Section 31(2) of The Department of Revenue and Financial Services Act. The Plan is designed to promote good dental health among plan members by reducing the members' costs for preventive, routine and major dental services.

Claims are adjudicated and processed for payment by The Canada Life Assurance Company.

2. Significant Accounting Policies

a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting.

b) Unpaid Claims

The provision for unpaid claims represents a provision for the cost of claims reported but not paid prior to year end and an estimate of claims yet to be reported based upon the claims settlement experience.

3. Fund Balance

Fund balance represents the accumulated contributions and investment earnings reduced by claim payments and adjudication fees. The fund balance, together with future contributions and earnings, is available to provide for the payment of benefits to plan members.

4. Related Party Transactions

Pursuant to Section 31 of The Department of Revenue and Financial Services Act, the costs of administering the plan are borne by the Consolidated Fund. These costs are not reflected in the accompanying financial statements.

5. Subsequent Events

Effective February 1, 1986 members of the Saskatchewan Government Employees Union became eligible for participation in the Dental Plan. Premium contributions are calculated as seven tenths of 1% of gross payroll for the first seven month participation in the Dental Plan and then reduced to forty five one hundredths of 1% of gross payroll for each month thereafter. S.G.E.U. participants are eligible to receive benefit coverage equivalent to existing plan members for dental health services performed after January 31, 1986.

Social Services Central Trust Account

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Social Services Central Trust Account as at March 31, 1986 and the statements of revenue, expenditure and trust balance and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the trust account as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
September 11, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement of Financial Position

At March 31

Statement 1

	1986	1985
Assets		
Cash	\$ 5,536	\$ 3,699
Marketable securities at par — Note 1 (b) (market value — 1986 — \$21,016; 1985 — \$19,550)	23,000	23,000
Accrued interest	349	366
	<u>\$ 28,885</u>	<u>\$ 27,065</u>
Liabilities		
Trust Accounts (Statement 2):		
Armour Estate — Note 3	\$ 8,761	\$ 7,826
Family and youth allowance account	18,338	17,530
Unmarried parents' account	455	444
Ward trust account	1,331	1,265
	<u>\$ 28,885</u>	<u>\$ 27,065</u>

(See accompanying notes to the financial statements)

Social Services Central Trust Account

Statement of Revenue, Expenditure and Trust Balance Year Ended March 31

Statement 2

	1986	1985
Armour Estate		
Revenue		
— Interest distribution (Note 1(c))	\$ 458	\$ 399
— Other	.....	137
— Estate revenue	1,500	.....
	1,958	536
Expenditure		
— To or on behalf of children's institutions	1,023	4,037
Increase (decrease) in trust account	935	(3,501)
Balance, beginning of year	7,826	11,327
Balance — end of year to Statement 1	\$ 8,761	\$ 7,826
Family and Youth Allowance Account		
Revenue		
— Interest distribution (Note 1(c))	\$ 917	\$ 1,074
Expenditure		
— Spending money and extra items for wards and payments to parents and wards on discharge	109	3,666
Increase (decrease) in trust account	808	(2,592)
Balance, beginning of year	17,530	20,122
Balance, end of year to Statement 1	\$ 18,338	\$ 17,530
Unmarried Parents' Account		
Revenue		
— Interest distribution (Note 1(c))	\$ 23	\$ 26
Expenditure		
— Payments to mothers	12	67
Increase (decrease) in trust account	11	(41)
Balance, beginning of year	444	485
Balance, end of year to Statement 1	\$ 455	\$ 444
Ward Trust Account		
Revenue		
— Interest distribution (Note 1(c))	\$ 66	\$ 75
Expenditure		
— To parents on discharge	.....	30
Increase (decrease) in trust account	66	45
Balance, beginning of year	1,265	1,220
Balance, end of year to Statement 1	\$ 1,331	\$ 1,265

(See accompanying notes to the financial statements)

Social Services Central Trust Account

Statement of Changes in Financial Position

Year Ended March 31

Statement 3

	1986	1985
Cash provided by (used in) operating activities:		
Excess of Revenue over Expenditure (Expenditure over Revenue)		
Armour Estate	\$ 935	\$ (3,501)
Family and Youth Allowance Account	808	(2,592)
Unmarried Parents' Account	11	(41)
Ward Trust Account	66	45
Total Excess of Revenue over Expenditure (Expenditure over Revenue)	1,820	(6,089)
Changes in non-cash working capital:		
(Increase) Decrease in Accrued Interest	17	172
Net change in non-cash working capital	17	172
Cash provided by (used in) operating activities	1,837	(5,917)
Cash position at beginning of year	3,699	9,616
Cash position at end of year	\$ 5,536	\$ 3,699
Represented by:		
Cash	\$ 5,536	\$ 3,699

(See accompanying notes to the financial statements)

Social Services Central Trust Account

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

(a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments are received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

(b) Investments

Investments are valued at par, the premiums and discounts having been written off at the date of acquisition. The acquisition of investments is made with the approval of the Investment Board.

(c) Interest Distribution

Interest received is credited on June 30 and December 31 to each beneficial interest in the trust account in proportion to its balance in the trust account at those dates.

(d) Dormant Accounts

The department has followed the practice whereby upon discharge, if the whereabouts of the children are unknown, the balances in their trust accounts may, after one year, be divided among the other members of the family, if they are in the care of the department. If there are no other children of the same family in the care of the department, the balances of the trust monies are divided among the other children in care.

All moneys belonging to Government wards, except family allowance payments, which have been lying dormant for six years are paid over to the Minister of Finance for deposit to the Consolidated Fund as budgetary revenue.

2. Related Party Transactions

In accordance with established government practice, the Trust Account has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs, together with certain general administrative and employee benefit costs, are absorbed by various departmental appropriations.

3. Armour Estate

Under Section 15 of The Department of Social Services Act, R.S.S. 1978 "the minister may accept grants . . . bequests for the purposes of the department and shall administer the same, subject to the terms of any trust imposed by the donor or testator thereof, for the purposes of the department." In accordance with the foregoing, the department has assumed administration of the Armour Estate from the Department of Finance. This estate was bequeathed to the Regina Children Home in 1929.

4. Statutory Authority

Pursuant to Section 13 of The Department of Social Services Act, Chapter D-23, R.S.S. 1978, the Social Services Central Trust Account was established for the purpose of receiving and disbursing monies for the benefit of individuals established as wards of the Government.

Social Services General Trust Account

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Social Services General Trust Account as at March 31, 1986 and the statements of revenue, expenditure and trust balance and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the trust account as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
September 11, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement of Financial Position

At March 31

Statement 1

	1986	1985
Assets		
Cash	\$ 10,132	\$ 10,132
Accounts receivable	325	.....
Accrued interest	61	87
	<u>\$ 386</u>	<u>\$ 10,219</u>
Liabilities		
Bank Overdraft	\$ 233	\$
Trust Accounts (Statement 2):		
Estates of deceased geriatric patients	11	.....
Saskatchewan Assistance Plan recipients	142	100
Private donations .....	.....	10,119
	<u>\$ 386</u>	<u>\$ 10,219</u>

(See accompanying notes to the financial statements)

Social Services General Trust Account

Statement of Revenue, Expenditure and Trust Balance

Year Ended March 31

Statement 2

	1986	1985
Estates of Deceased Geriatric Patients		
Revenue		
— Provincial special care homes	\$ 578	\$ 594
— Interest distribution (Note 1(b))	4	.....
	582	594
Expenditure		
— Beneficiaries and administrators of estates	571	594
Increase in trust account	11	.....
Balance, beginning of year	.....	.....
Balance, end of year to Statement 1	\$ 11	\$
Saskatchewan Assistance Plan Recipients		
Revenue		
— Department of Social Services	\$ 1,126,189	\$ 995,126
— Interest distribution (Note 1(b))	139	.....
	1,126,328	995,126
Expenditure		
— To or on behalf of recipients	1,126,286	995,026
Increase (Decrease) in trust account	42	100
Balance, beginning of year	100	.....
Balance, end of year to Statement 1	\$ 142	\$ 100
Private Donations		
Revenue		
— Individuals	\$ 10,000	\$ 10,000
— Interest distribution (Note 1(b))	.....	239
	10,000	10,239
Expenditure		
— To institutions	20,119	137
Increase (Decrease) in trust account	(10,119)	10,102
Balance, beginning of year	10,119	17
Balance, end of year to Statement 1	\$	\$ 10,119

(See accompanying notes to the financial statements)

Social Services General Trust Account

Statement of Changes in Financial Position

Year Ended March 31

Statement 3

	1986	1985
Cash provided by (used in) operating activities:		
Excess of Revenue over Expenditure (Expenditure over Revenue)		
Estates of Deceased Geriatric Patients	\$ 11	\$
Saskatchewan Assistance Plan Recipients	42	100
Private donations	(10,119)	10,102
Total Excess of Revenue over Expenditure (Expenditure over Revenue)	(10,066)	10,202
Changes in non-cash working capital:		
(Increase) Decrease in Accounts Receivable	(325)	.....
(Increase) Decrease in Accrued Interest	26	(87)
Net change in non-cash working capital	(299)	(87)
Cash provided by (used in) operating activities	(10,365)	10,115
Cash position at beginning of year	10,132	17
Cash position at end of year	\$ (233)	\$ 10,132
Represented by:		
(Bank overdraft)	(233)	.....
Cash	.....	10,132
	\$ (233)	\$ 10,132

(See accompanying notes to the financial statements)

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

(a) Basis of Accounting:

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

(b) Interest Distribution:

Interest received is credited on June 30 and December 31 to each beneficial interest in the trust account in proportion to its balance in the trust account at those dates.

2. Related Party Transactions

Costs Borne by Other Agencies:

In accordance with established government practice, the Trust Account has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs, together with certain general administrative and employee benefit costs, are absorbed by various departmental appropriations.

3. Statutory Authority

Pursuant to Section 13 of The Department of Social Services Act, Chapter D-23, R.S.S. 1978, the Social Services General Trust Account was established for the purpose of receiving and disbursing monies for the benefit of individuals receiving assistance or other services from the Department.

Crop Reinsurance Fund of Saskatchewan

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Crop Reinsurance Fund of Saskatchewan as at March 31, 1986 and the statement of revenue, expenditure and balance of fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
August 15, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at March 31

Statement 1

	1986	1985
Assets		
Due from Saskatchewan Crop Insurance Corporation (Note 4)	\$	\$
Due from Minister of Finance (Note 3) .....	.....	.....
	<u>\$</u>	<u>\$</u>
Fund Balance		
Due to Saskatchewan Crop Insurance Corporation (Note 4)	\$ 79,591,518	\$ 6,920,376
Balance of Fund (Statement 2)	(79,591,518)	(6,920,376)
	<u>\$</u>	<u>\$</u>

(See accompanying notes to the financial statements)

Statement of Revenue, Expenditure and Balance of Fund

Year Ended March 31

Statement 2

	1986	1985
Revenue:		
Premium ceded from Saskatchewan Crop Insurance Corporation — Insurance operation	\$ 23,163,593	\$ 9,503,545
Expenditure:		
Indemnities incurred	95,834,735	62,922,012
Excess (deficit) of revenue over expenditure for the year	(72,671,142)	(53,418,467)
Balance of fund, beginning of year	(6,920,376)	46,498,091
Balance of fund, end of year (Statement 1)	<u>\$ (79,591,518)</u>	<u>\$ (6,920,376)</u>

(See accompanying notes to the financial statements)

Crop Reinsurance Fund of Saskatchewan

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

Premiums Ceded from Saskatchewan Crop Insurance Corporation — Insurance Operation

Under the terms of the agreement indicated in Note 2, the Saskatchewan Crop Insurance Corporation is required to pay premiums ceded into the reinsurance funds based on premiums received during the insurance year including the matching contributions made by the Province.

Liability for Claim Payments from the Reinsurance Funds

As provided for in the agreement, payments may be made out of the Reinsurance Funds under the following conditions:

- (1) Indemnities required to be paid in an insurance year would have to exceed the aggregate of:
 - a) the premium receipts for the year less reinsurance premiums ceded.
 - b) the balance in the Saskatchewan Crop Insurance Corporation — Insurance operation.
 - c) 2½% of the total liability under policies of insurance in force in the insurance year which would have to be paid by the Crop Reinsurance Fund of Saskatchewan or by the Province of Saskatchewan.
- (2) The balance of indemnities to be paid would be shared 75% by Canada and 25% by Saskatchewan out of the respective Reinsurance Funds.

2. Status of the Fund

The Crop Insurance Agreement dated April 2, 1976 between the Governments of Saskatchewan and Canada, continued under Section 23 of The Crop Insurance Act, as amended by a 1986 amending agreement, provides for the establishment of two reinsurance funds:

- i) The Crop Reinsurance Fund of Saskatchewan — which is administered by the Government of Saskatchewan, and
- ii) The Crop Reinsurance Fund of Canada for Saskatchewan — which is administered by the Government of Canada.

3. Due from Minister of Finance

During the fiscal year ended March 31, 1980, Treasury Board approved the transfer of the assets of the Crop Reinsurance Fund of Saskatchewan from the then separate account administered by the Saskatchewan Crop Insurance Board into the Consolidated Fund of Saskatchewan. During the year ended March 31, 1981, all the assets were transferred to the Consolidated Fund of Saskatchewan, therefore, the financial statements of the Fund show only the amount due from the Minister of Finance instead of individual assets.

4. Due from (to) Saskatchewan Crop Insurance Corporation

The balance due from (to) Saskatchewan Crop Insurance Corporation represents:

- a) the difference between the estimated premium ceded during the year and the actual calculated for the year based on the gross premium collected; and
- b) the difference between the estimated claim submitted by the reinsured based on the estimated indemnities payable and the actual reinsurance claims calculated at the year end.

The Province of Saskatchewan, pursuant to the agreement described in note 2, has agreed to make interest free advances to the Crop Reinsurance Fund of Saskatchewan so that the Reinsurance Fund can meet its obligations to the Saskatchewan Crop Insurance Corporation.

5. Balance in the Crop Reinsurance Fund of Canada for Saskatchewan

The balance in the Crop Reinsurance Fund of Canada for Saskatchewan as at March 31, 1986 was a deficit of \$146,275,912 (1985 \$2,252,597 surplus).

Farm Purchase Program Fund

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of receipts and payments of the Farm Purchase Program Fund for the year ended March 31, 1986. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1986 and its receipts and payments for the year then ended in accordance with the disclosed basis of accounting applied, after giving retroactive effect to the change in accounting principles described in note 4 to the financial statement, on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
July 17, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement of Receipts and Payments

For the year Ended March 31, 1986

	1986	1985
Receipts		
Appropriation — Heritage Fund — Agricultural Division (Note 1)	\$ 8,270,999	\$ 8,183,000
Lease payments	10,385,030	11,051,881
Penalties	888,980	702,970
Interest on loans	631,878	673,141
Interest on investments	74,221	140,626
Total receipts	20,251,108	20,751,618
Payments		
Interest (Note 1)	20,181,331	20,116,560
Advertising	38,896	60,356
Repayment of Advances to Consolidated Fund (Note 3) .....	.....	820,000
Total payments	20,220,227	20,996,916
Excess of receipts over payments (payments over receipts)	30,881	(245,298)
Cash, beginning of year	60,284	305,582
Cash, end of year	\$ 91,165	\$ 60,284

(See accompanying notes to the financial statement)

Farm Purchase Program Fund

Notes to Financial Statements

March 31, 1986

1. Legislative Authority

The Farm Purchase Program Fund was established April 1, 1983, pursuant to The Farm Purchase Program Act, which was assented to December 17, 1982.

(a) Receipts

Pursuant to Section 8(2) of this Act, the following receipts were placed to the credit of the fund:

- (i) lease payments on land formerly held by the Saskatchewan Land Bank Commission;
- (ii) penalties on arrears of lease payments;
- (iii) interest payments on loans for improvements made pursuant to section 22 of The Land Bank Act;
- (iv) penalties on arrears of interest payments;
- (v) interest earned on deposits or investments;
- (vi) sums appropriated by the Legislature for the purposes of the fund;
- (vii) advances from the Consolidated Fund.

(b) Payments

Pursuant to Section 8(3) of this Act, payments were made out of the fund for interest costs on debt incurred by the former Saskatchewan Land Bank Commission. These payments were made to the Consolidated Fund.

2. Accounting Policies

- (a) These financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1, and ending March 31. Receipts are recorded as received and payments are charged to the accounts when payments are made. In addition, receipts received in the 30 days of April, in respect of revenues raised up to March 31 of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as receipts and payments of the preceding fiscal year. Accordingly, the financial position of the fund at March 31, 1986 does not include the following items:
 - (i) amount due from Department of Agriculture — Lands Branch — \$162,625 (1985 — \$Nil);
 - (ii) accrued interest costs — \$6,834,817 (1985 — \$6,834,817);
- (b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

3. Advances

Pursuant to Section 8(4) of The Farm Purchase Program Act the fund receives advances from the Consolidated Fund as required for the purposes of the fund, subject to prescribed terms and conditions. Following is a summary of advances received and repayments:

	1986	1985	1984
Advances	\$ 18,985,000	\$ 14,985,000	\$ 59,390,000
Repayments	18,985,000	15,805,000	58,570,000
	<u>\$</u>	<u>\$ (820,000)</u>	<u>820,000</u>

4. Change in Accounting Policy

During the year the fund amended the basis of accounting used for financial statement preparation from the cash basis to a modified cash basis whereby receipts received in the 30 days of April, in respect of revenues raised up to March 31 of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as receipts and payments of the preceding fiscal year.

This change has been applied retroactively in these financial statements. The effect is to increase 1986 receipts by \$32,294, to decrease 1985 receipts by \$279,738 and to decrease 1985 payments by \$10,272. As a result of these changes, excess of receipts over payments at March 31, 1985 has decreased by \$269,466 and similarly cash, beginning of year 1985 has increased by \$304,027 and cash, end of year 1985 has increased by \$34,561.

Municipal Potash Tax Sharing Administration Board

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheets of the Tax Distribution Fund and the General Administration Fund of the Municipal Potash Tax Sharing Administration Board as at December 31, 1985 and the respective statements of receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the funds of the Municipal Potash Tax Sharing Administration Board as at December 31, 1985 and the results of operations of the funds for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
August 11, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Tax Distribution Fund

Balance Sheet

As at December 31

	Statement 1	
	1985	1984
Assets		
Cash in bank	\$	\$ 380
Fund Balance		
Fund balance (Statement 2)	\$	\$ 380

(See accompanying notes to the financial statements)

Statement of Receipts and Disbursements

Year Ended December 31

	Statement 2	
	1985	1984
Receipts:		
Taxes received from taxing rural municipalities:		
Rocanville No. 151	\$ 518,178	\$ 437,831
Spy Hill No. 152	488,770	445,633
Pense No. 160	269,682	247,901
Langenburg No. 181	416,589	381,457
Usborne No. 310	834,343	662,594
Colonsay No. 342	456,571	401,164
Blucher No. 343	429,821	644,590
Corman Park No. 344	535,452	444,661
Vanscoy No. 345	521,358	450,018
	4,470,764	4,115,849
Less amount allocated to the General Administration Fund (Note 2)	8,960	8,232
	4,461,804	4,107,617
Add fund balance, January 1	380	235
Amount available for distribution to participants	4,462,184	4,107,852
Disbursements:		
Payments to municipalities participating in municipal potash tax sharing:		
Areas of Influence	Rural (Schedule 1)	Urban (Schedule 2)
Pense	\$ 242,217	\$ 26,914
Esterhazy	1,278,630	142,221
Saskatoon		
Lanigan	2,494,869	277,333
	2,772,202	2,597,713
	4,462,184	4,107,472
Fund balance, representing tax receipts remaining undistributed as at December 31 — to Statement 1	\$	\$ 380

(See accompanying notes to the financial statements)

Municipal Potash Tax Sharing Administration Board

General Administration Fund

Balance Sheet

As at December 31

Statement 3

	1985	1984
Assets		
Cash in bank	\$ 1,247	\$ 537
Short term bank deposit certificates .....	.....	4,500
	<u>\$ 1,247</u>	<u>\$ 5,037</u>
Fund Balance		
Fund balance (Statement 4)	\$ 1,247	\$ 5,037

(See accompanying notes to the financial statements)

Statement of Receipts and Disbursements

Year Ended December 31

Statement 4

	1985	1984
Receipts:		
Allocation of tax receipts for administration purposes (Note 2)	\$ 8,960	\$ 8,232
Interest received on funds invested temporarily	308	250
	<u>9,268</u>	<u>8,482</u>
Disbursements:		
Office facilities — S.A.R.M.	3,800	3,500
Secretary's honorarium and meeting expenses	5,055	4,620
Audit fee	1,594	1,500
Board members' allowances:		
Per diem	440	120
Sustenance	772	84
Mileage	956	344
Fidelity bond premium	100	60
Stationery, supplies and postage	297	391
Sundry expenses	44	47
	<u>13,058</u>	<u>10,666</u>
Excess of disbursements over receipts	3,790	2,184
Fund balance, January 1	5,037	7,221
Fund balance, December 31 — to Statement 3	<u>\$ 1,247</u>	<u>\$ 5,037</u>

(See accompanying notes to the financial statements)

Notes to Financial Statements

December 31, 1985

1. Basis of Accounting

The Board uses the cash basis of accounting to report the transactions of the Tax Distribution Fund and the General Administration Fund pursuant to Subsection 11(1) of The Municipal Tax Sharing (Potash) Act.

2. Statutory Provisions

The Municipal Potash Tax Sharing Administration Board was established under Section 3 of The Municipal Tax Sharing (Potash) Act as the body responsible for administering that Act. Under provisions of the Act, taxes are levied by rural municipalities upon the potash mine assessments within each taxing municipality and remittances of such taxes are made to the Board. Disbursements to participating municipalities are made on the basis of formulae prescribed in regulations issued under Section 13 of the Act.

As at December 31, 1985 all levies for 1985, except the levy for one mine had been collected and remitted to the Board by taxing municipalities and disbursements made to participating municipalities accordingly. The levy for this one mine was collected and remitted to the Board by the taxing municipality in January, 1986. The disbursements were then made to the participating municipalities. These amounts will be included in the 1986 financial statements.

3. Administration Costs

The costs of administering the Act are payable from monies collected and remitted to the Board by taxing municipalities and for that purpose the regulations provide that the Board may allocate up to 1/2 of 1% of collections to the General Administration Fund subject to the provision that the General Administration Fund shall not at any time exceed \$15,000. In addition interest earned on short term investments is required to be credited to the General Administration Fund. During 1985, the Board approved an allocation to the General Administration Fund of 2/10 of 1% (1984 — 2/10 of 1%) of taxes collected.

Municipal Potash Tax Sharing Administration Board

Tax Distribution Fund

Payments made to Participating Rural Municipalities

For the Year Ended December 31

Schedule 1

R.M. #	Name	1985				1984			
		Pense Area	Estehazy Area	Saskatoon Lanigan Area	Pense Area	Estehazy Area	Saskatoon Lanigan Area	Pense Area	Estehazy Area
121	Moosomin	\$	\$ 41,048.54	\$	\$	\$ 37,713.10	\$	\$	\$
122	Martin		12,473.31			12,504.87			
129	Bratt's Lake	2,371.95			1,621.30				
130	Redburn	26,626.30			21,861.40				
131	Baldon	12,495.88			8,420.30				
151	Rocanville		249,239.46			187,374.56			
152	Spy Hill		346,304.51			347,952.97			
153	Willowdale		28,121.65			25,605.21			
159	Sherwood	10,180.25			8,211.10				
160	Pense	111,757.44			119,400.90				
161	Moose Jaw	53,481.17			43,199.80				
181	Langenburg		269,424.54			241,959.31			
183	Fertile Belt		238,807.23			198,688.49			
189	Lumsden	7,217.86			5,857.60				
190	Dufferin	14,861.80			11,453.70				
191	Marquis	3,224.41			2,667.30				
211	Churchbridge		57,150.44			54,386.26			
213	Saltcoats		36,060.16			29,971.99			
279	Mount Hope			467.67			450.30		
280	Wreford			13,406.44			13,208.80		
281	Wood Creek			2,338.33			2,251.50		
283	Rosedale			779.44			750.50		
309	Prairie Rose			44,895.97			39,926.60		
310	Usborne			209,982.21			193,629.00		
312	Morris			121,125.60			112,725.10		
313	Lost River			102,730.72			104,769.80		
314	Dundurn			55,808.19			55,987.30		
315	Montrose			65,161.52			59,739.80		
316	Harris			15,432.99			14,409.60		
339	Leroy			30,086.54			28,218.80		
340	Wolverine			138,117.48			137,041.30		
341	Viscount			162,747.91			163,158.70		
342	Colonsay			191,743.22			160,907.20		
343	Blucher			301,823.83			286,634.30		
344	Corman Park			493,855.72			480,620.20		
345	Vanscoy			317,545.49			288,942.50		
346	Perdue			66,252.74			43,228.80		
371	Bayne			16,056.55			14,709.80		
372	Grant			27,124.65			24,016.00		
373	Aberdeen			105,848.50			101,617.70		
376	Eagle Creek			11,537.26			11,107.40		
Total payments — to Statement 2		\$ 242,217.06	\$ 1,278,629.84	\$ 2,494,868.97	\$ 222,693.40	\$ 1,136,156.76	\$ 2,338,051.00		

Schedule 2

Tax Distribution Fund
Payments made to Participating Urban Municipalities

Year Ended December 31

Urban Municipality

1985

1984

	Pense Area	Esterhazy Area	Saskatoon Lanigan Area	Pense Area	Esterhazy Area	Saskatoon Lanigan Area
Village of Aberdeen	\$	\$	\$	\$	\$	\$
Town of Allan			4,653.51	.....	.....	4,352.40
Town of Asquith			31,257.51	.....	.....	29,797.20
Village of Atwater			4,477.90	.....	.....	4,268.70
Village of Bangor		579.49	.....	.....	477.44	.....
Village of Belle Plaine		571.09	.....	.....	507.28	.....
Village of Bethune	2,573.71	.....	.....	2,184.48	.....	.....
Village of Bradwell	3,045.19	.....	.....	2,885.58	.....	.....
Town of Bredenbury			6,040.78	.....	.....	5,122.44
Village of Briercrest	1,276.59	3,980.88	.....	.....	3,565.88	.....
Town of Churchbridge		8,390.10	.....	1,143.90	7,280.96	.....
Village of Clavet			10,536.24	.....	.....	8,939.16
Town of Colonsay			19,386.68	.....	.....	18,480.96
Town of Dalmeny			9,816.26	.....	.....	9,181.89
Town of Delisle			34,383.26	.....	.....	32,174.28
Village of Disley	345.50	.....	.....	302.58	.....	.....
Town of Drake			1,922.86	.....	.....	1,757.70
Village of Drinkwater				2,479.68	.....	.....
Village of Elstow	2,496.07	.....	4,741.31	.....	.....	4,687.20
Town of Esterhazy		49,315.98	.....	.....	43,805.12	.....
Village of Gerald		6,349.26	.....	.....	5,938.16	.....
Village of Guernsey			7,375.37	.....	.....	7,164.72
Village of Kinley			535.59	.....	.....	527.31
Town of Langenburg		10,078.20	.....	.....	8,877.40	.....
Town of Langham						
Town of Lanigan			9,658.22	.....	.....	9,223.74
Village of Lockwood			49,204.24	.....	.....	46,905.48
Town of Martensville			351.21	.....	.....	318.06
Village of Meacham			15,321.45	.....	.....	13,793.76
Village of Pense			1,334.59	.....	.....	1,339.20
Village of Perdue	16,362.23	.....	.....	15,114.24	.....	.....
Village of Plunkett			3,775.49	.....	.....	3,607.47
Town of Rocanville			1,308.25	.....	.....	1,272.24
Village of Spy Hill		30,839.28	.....	.....	27,303.60	.....
Village of Stockholm		11,825.08	.....	.....	10,682.72	.....
Village of Tantallon		3,325.80	.....	.....	2,954.16	.....
Village of Tuxford		5,912.54	.....	.....	5,251.84	.....
Village of Vanscoy	814.56	.....	.....	634.68	.....	.....
Village of Viscount			11,414.26	.....	.....	10,077.48
Town of Vonda			13,029.82	.....	.....	12,421.08
Town of Warman			2,669.18	.....	.....	2,452.41
Town of Watrous			14,619.03	.....	.....	13,936.05
Village of Welwyn			13,082.50	.....	.....	11,843.55
Village of Yarbo		6,349.26	.....	.....	5,341.36	.....
Village of Young		4,704.49	.....	.....	4,177.60	.....
Village of Zelma			3,696.46	.....	.....	3,540.51
Total payments — to Statement 2	\$ 26,913.85	\$ 142,221.45	\$ 277,333.19	\$ 24,745.14	\$ 126,163.52	\$ 259,662.51

Northern Revenue Sharing Trust Account

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheets of the Northern Revenue Sharing Trust Account as at December 31, 1983 and the statements of operating fund revenue, expenditure and fund balance and the capital fund revenue and expenditure for the period then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the trust account as at December 31, 1983 and the results of its operations for the period then ended in accordance with the disclosed basis of accounting.

Regina, Saskatchewan,
July 18, 1984.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Operating Fund Balance Sheet

As at December 31, 1983

Statement 1

Assets

Cash: On deposit

— demand	\$ 1,576,417
— term	3,725,000
	<u>5,301,417</u>

Receivables:

Taxes (Schedule 1)

— northern settlements, recreational subdivisions and general	30,839
— northern hamlets	43,295
— schools	136,288
	<u>210,422</u>

Advances to northern hamlets and northern villages (Schedule 5) 70,512

Water and sewer 8,562

Accrued interest and other receivables 23,747

313,243

\$ 5,614,660

Liabilities and Fund Balance

Due to Other Funds:

Capital Fund \$ 98,400

Payables:

Due to Northern Lights School Division on account of collected taxes 20,348

General accounts 28,207

48,555

Due to Northern Lights School Division on account of uncollected taxes 136,288

Asset Valuation Allowances:

Taxes — northern settlements, recreational subdivisions and general (Schedule 1) 25,009

Reserve:

Future expenditures of northern settlements and recreational subdivisions (Schedule 4) .. 386,223

Fund Balance (Statement 2 & Schedule 2) 4,920,185

\$ 5,614,660

(See accompanying notes)

Northern Revenue Sharing Trust Account

Operating Fund

Statement of Revenue, Expenditure and Fund Balance

For the Three Months Ended December 31, 1983

Statement 2

	Communities		Water and Sewer		General Municipal	Total
	Northern Settlements	Northern Hamlets	Northern Settlements	Northern Hamlets		
Revenues:						
Net tax levy (Note 3)	\$ 4,912	\$ 11,457	\$ 7,087	\$	\$ 69,611	\$ 93,067
Land Leases	4,398	2,480	.....	.....	323,962	330,840
Operating grants	267,758	.....	.....	.....	.....	267,758
Interest	1,800	1,445	1,166	.....	89,029	93,440
User fees .....	.....	.....	.....	7,830	.....	24,165
Bad debt allowances reversed	5,400	33,576	.....	1,082	.....	34,658
Transfer from Capital Fund .....	.....	.....	.....	.....	.....	5,400
Transfer from Northern Municipal Council (Note 2)	138,829	461	.....	.....	.....	139,290
Other	2,000	.....	.....	.....	212	2,212
	425,097	49,419	8,253	8,912	482,814	990,830
Expenditures:						
Services — paid direct	54,008	1,196	9,333	.....	300	64,837
Transfers to northern hamlets .....	.....	127,346	.....	.....	.....	127,346
Operating costs .....	.....	.....	121	301	.....	422
Miscellaneous .....	.....	.....	.....	.....	692	692
	54,008	128,542	9,333	301	992	193,297
Excess of revenue over expenditure (expenditure over revenue) before the undernoted	\$ 371,089	\$ (79,123)	\$ (1,080)	\$ 8,611	\$ 481,822	797,533
Amount transferred (to) from reserve for future expenditures of northern settlements and recreational subdivisions	\$ (371,089)	\$	\$ 1,080	\$ (16,214)	.....	(386,223)
Amount transferred (to) from advances to northern hamlets/villages	\$	\$ 79,123	\$	\$ (8,611)	.....	70,512
Excess of revenue over expenditure Fund Balance — transferred from Northern Saskatchewan Administration District Trust Account (Note 2) .....	.....	.....	.....	.....	.....	481,822
Fund Balance, end of period (to Statement 1) .....	.....	.....	.....	.....	.....	4,438,363
						\$ 4,920,185

(See accompanying notes)

Northern Revenue Sharing Trust Account

Capital Fund

Balance Sheet

As at December 31, 1983

Statement 3

Assets

Due from operating fund \$ 98,400

Liabilities and Reserve

Reserve for future capital expenditures of communities
(Statement 4 and Schedule 3) \$ 98,400

(See accompanying notes)

Capital Fund

Statement of Revenue and Expenditure

For the Three Months Ended December 31, 1983

Statement 4

Revenues:

Communities
Land sales \$ 6,499
Interest 1,634
8,133

Expenditures:

Communities
Community improvements — paid through Northern Municipal Council 1,500
Transfer to northern hamlets 1,993
Transfer to operating fund 5,400
8,893

Excess of expenditures over revenues — to reserve for future capital expenditures (760)

Reserve for future capital expenditures — transferred from Northern Saskatchewan
Administration District Trust Account 99,160

Reserve for future capital expenditures — end of period (to Statement 3) \$ 98,400

(See accompanying notes)

Northern Revenue Sharing Trust Account

Notes to Financial Statements

December 31, 1983

1. Significant Accounting Policies

i) Basis of Accounting

The financial statements of the Northern Revenue Sharing Trust Account have been prepared in accordance with accounting policies established by the Department of Urban Affairs for urban municipalities in Saskatchewan.

ii) Administrative Expenses of the Trust Account

Administrative expenses of the trust account are borne by the Consolidated Fund and the financial statements of the trust account do not include provisions for such expenses. The estimated administrative expenses incurred on behalf of the trust account for the three months ended December 31, 1983 totalled \$47,000.

iii) Crown Land Leases Revenue

Revenues from Crown land leases are recognized when monies are received by the trust account from the Department of Parks and Renewable Resources. An amount is accrued at the end of the period in respect of monies received by the Department of Parks and Renewable Resources, but not remitted to the trust account until the following year.

iv) Crown Land Sales Revenue

Revenues from Crown land installment sales are recognized when monies are received by the trust account.

v) Net Tax Levy Revenue

Taxes are levied annually, covering the period January 1 to December 31.

The creation of the Northern Revenue Trust Account upon the coming into force of The Northern Municipalities Act on October 1983 resulted in municipal taxation revenue which had been levied by the Northern Saskatchewan Administration District Trust Account being transferred to the new Trust Account. The amounts reflected as net tax levy represent the proportionate share of municipal taxes levied for the period October 1, 1983 to December 31, 1983, being 3/12 of the annual tax levy.

vi) Asset Valuation Allowance

The Northern Revenue Sharing Trust Account levies, collects and remits municipal taxes on a trust basis on behalf of northern hamlets and school taxes on behalf of the Northern Lights School Division. In that capacity, the Northern Revenue Sharing Trust Account is merely acting as an agent of the northern hamlet and of the school division. Accounting policies of the Department of Urban Affairs for urban municipalities in Saskatchewan direct that, with respect to the provision of allowances for uncollected taxes, no provision for uncollectable taxes be made for taxes levied on a trust basis. Accordingly, these financial statements provide an allowance for uncollectable taxes only for uncollected municipal taxes levied with respect to the District outside of the boundaries of northern hamlets.

vii) Reserve: Future Expenditures of Northern Settlements and Recreational Subdivisions

Under The Northern Municipalities Act, administrative responsibility and trusteeship over funds of northern settlements and recreational subdivisions rests with the Minister of Urban Affairs through the Trust Account. The reserve represents the excess of municipal revenues over expenditures realized during the period October 1, 1983 to December 31, 1983 and is maintained on an individual northern settlement and recreational subdivision basis. Revenues generated within each northern settlement and recreational subdivision can only be applied toward the payment of expenditures for that same community. As a result of communities having a six-month period from October 1, 1983 to request status designation under The Northern Municipalities Act, the reserve also contains balances for 3 communities which still had Local Advisory Council status as at December 31, 1983.

viii) Interest Earnings

Interest earnings of the fund are allocated on the basis of the average monthly balance for each community as accounted for within the reserve for future expenditures of northern settlements and recreational subdivisions along with an allocation to the general balance within the fund balance on the same basis.

2. The Northern Municipalities Act

- a) The Northern Municipalities Act which was proclaimed in force on October 1, 1983, directed the funds standing to the credit of the Northern Saskatchewan Administration District Trust Account be transferred to the newly created "Northern Revenue Sharing Trust Account".
- b) The Northern Municipalities Act also provided that all property held by the Northern Municipal Council (NMC) for the benefit of any former Local Advisory Council be vested in the Minister for the benefit of the new Northern Settlement. Pursuant to this provision, the NMC has transferred monies to the NRS Trust Account for the benefit of various northern settlements.

Northern Revenue Sharing Trust Account

Notes to Financial Statements — (Concluded)

3. **Net Tax Levy**

The Tax Levy shown is net of penalties, cancellations, refunds and discounts.

4. **Fund Balance**

The fund balance is comprised of the following:

- a) Fund balances transferred from the Northern Saskatchewan Administration District Trust Account on October 1, 1983;
- b) Municipal property and business taxes and grants in lieu of taxes on properties within the district but outside of community and recreational subdivision boundaries;
- c) Lease fees and permit fees collected on Crown land within the District but outside of community boundaries;
- d) Proceeds from the sale of Crown land within the recreational subdivisions;
- e) Interest received on bank deposits exclusive of an allocation made to the reserve for future expenditures of northern settlements and recreational subdivisions.

less general municipal expenditures incurred in the operation of the Northern Revenue Sharing Trust Account.

5. **Comparatives**

No comparative figures have been shown as this is the first administrative period of the Northern Revenue Sharing Trust Account.

6. **Contingent Liability**

In conjunction with the coming into force of The Northern Municipalities Act on October 1, 1983, a Northern Capital Grants Program was put in place to provide funding assistance to northern municipalities in the construction and acquisition of capital works. The Province established, by regulation, a five-year \$6.4 million program and it is anticipated that approximately \$4.2 million of the program funding will come from the Fund Balance of the Northern Revenue Sharing Trust Account. The actual funding requirement over the life of the program and in any one year is dependent upon the number and dollar value of grant applications received and approved by the Minister of Urban Affairs.

Northern Revenue Sharing Trust Account

Schedule of Taxes Receivable and Asset Valuation Allowance

As at December 31, 1983

Schedule 1

	<i>Taxes Receivable</i>	<i>Asset Valuation Allowance</i>
General Municipal		
Northern Settlements		
Brabant Lake	\$ 23	\$
Camsell Portage	618	469
Descharme		
Dore Lake	1,666	1,738
Garson Lake		
Kinoosao	472	261
Sled Lake	863	451
Stony Rapids	1,604	951
Sturgeon Landing		
Turnor Lake	713	612
	<u>5,959</u>	<u>4,482</u>
Local Advisory Councils		
Missinipe	5,440	4,628
Stanley Mission	1,518	958
Wollaston Lake	5,274	4,457
	<u>12,232</u>	<u>10,043</u>
Recreational Subdivisions		
East Trout Lake	(61)	34
Jan Lake	516	347
Keeley Lake	10	10
Lac La Plonge	287	156
Little Amyot Lake	71	26
Little Bear Lake	491	270
Lower Fishing Lake	441	311
Michel Point	260	171
Ramsey Bay	1,548	865
Sturgeon Weir	3	28
Tower Beach	259	138
Tyrrell Lake	113	32
Waden Bay	181	139
Whelan Bay	791	354
	<u>4,910</u>	<u>2,881</u>
Northern Dispositions	<u>7,738</u>	<u>7,603</u>
Total General Municipal — (to Statement 1)	<u>\$ 30,839</u>	<u>\$ 25,009</u>
		<i>Taxes Receivable</i>
Northern Hamlets		
Cole Bay	\$	1,512
Denare Beach		11,420
Deschambault Lake		11,365
Jans Bay		207
Michel Village		596
Patuanak		76
Pelican Narrows		15,427
Southend		488
St. George's Hill		199
Timber Bay		428
Weyakwin		1,577
Total Northern Hamlets — (to Statement 1)	<u>\$</u>	<u>43,295</u>
School		
Northern Lights School Division	\$	136,288
Total School — (to Statement 1)	<u>\$</u>	<u>136,288</u>

Northern Revenue Sharing Trust Account

Operating Fund

Analysis of Fund Balance

As at December 31, 1983

Schedule 2

Northern Settlements

Brabant Lake	\$ 5,418
Camsell Portage	1,635
Descharme .....	.....
Dore Lake	2,867
Garson Lake .....	.....
Kinoosao	1,151
Sled Lake	1,160
Stony Rapids	20,303
Sturgeon Landing	1,046
Turnor Lake	18,551
	52,131

Local Advisory Councils

Missinipe	22,881
Stanley Mission	9,042
Wollaston Lake	10,184
	42,107

Recreational Subdivisions

East Trout Lake	4,868
Jan Lake	7,067
Keeley lake	829
Lac La Plonge	4,979
Little Amyot Lake	1,399
Little Bear Lake	13,186
Lower Fishing Lake	9,088
Michel Point	778
Ramsey Bay	18,064
Sturgeon Weir	3,104
Tower Beach	111
Tyrrell Lake	2,716
Waden Bay	1,170
Whelan Bay	2,753
	70,112

Northern Hamlets

Cole Bay	15,508
Denare Beach	98,375
Deschambault Lake	9,657
Jans Bay	1,765
Michel Village	3,217
Patuanak	241
Pelican Narrows	58,227
Southend	2,037
St. George's Hill	1,030
Timber Bay	2,891
Weyakwin	18,201
	211,149

Northern Village

Pinehouse	165
Community Total	
	375,664
General	4,544,521
Total Fund Balance (to Statement 1)	
	\$ 4,920,185

Northern Revenue Sharing Trust Account

Capital Fund

Schedule of Reserve for Future Capital Expenditure

As at December 31, 1983

Schedule 3

Northern Settlements

Brabant Lake	\$ 3,768
Camsell Portage	2,259
Descharme .....	.....
Dore Lake	485
Garson Lake .....	.....
Kinoosao	3,227
Sled Lake	435
Stony Rapids	1,001
Sturgeon Landing .....	.....
Turnor Lake	2
	11,177

Local Advisory Councils

Missinipe	18,540
Stanley Mission	538
Wollaston Lake	5,776
	24,854

Northern Hamlets

Cole Bay	3,880
Denare Beach	31,817
Deschambault Lake	283
Jans Bay	1,341
Michel Village	1,708
Patuanak	2,915
Pelican Narrows	4,353
Southend	78
St. George's Hill	6,454
Timber Bay	546
Weyakwin	8,981
	62,356

Northern Village

Pinehouse	13
-----------------	----

Total Reserve (to Statement 3)	
	\$ 98,400

Northern Revenue Sharing Trust Account

Schedule of Distribution of Total Community Balance Between "Fund Balance" and "Reserve for Future Expenditure of Northern Settlements and Recreational Subdivisions"

As at December 31, 1983

Schedule 4

	Less Fund Balance as at Total September 30, 1983			Reserve for Future Expenditure
	Community Balance (Schedule 6)	Transferred from N.S.A.D.T.A. (Schedule 2)		
Northern Settlements				
Brabant Lake	\$ 46,922	\$ 5,418	\$	41,504
Camsell Portage	32,931	1,635		31,296
Descharme	27,866	.....		27,866
Dore Lake	38,735	2,867		35,868
Garson Lake	26,373	.....		26,373
Kinoosao	51,354	1,151		50,203
Sled Lake	26,974	1,160		25,814
Stony Rapids	75,820	20,303		55,517
Sturgeon Landing	33,692	1,046		32,646
Turnor Lake	61,325	18,551		42,774
	<u>421,992</u>	<u>52,131</u>		<u>369,861</u>
Local Advisory Councils				
Missinipe	27,108	22,881		4,227
Stanley Mission	9,680	9,042		638
Wollaston Lake	22,761	10,184		12,577
	<u>59,549</u>	<u>42,107</u>		<u>17,442</u>
Recreational Subdivisions				
East Trout Lake	5,426	4,868		558
Jan Lake	7,873	7,067		806
Keeley Lake	862	829		33
Lac La Plonge	5,254	4,979		275
Little Amyot Lake	1,505	1,399		106
Little Bear Lake	13,352	13,186		166
Lower Fishing Lake	9,810	9,088		722
Michel Point	(419)	778		(1,197)
Ramsey Bay	15,881	18,064		(2,183)
Sturgeon Weir	3,278	3,104		174
Tower Beach	50	111		(61)
Tyrrell Lake	753	2,716		(1,963)
Waden Bay	1,446	1,170		276
Whelan Bay	3,961	2,753		1,208
	<u>69,032</u>	<u>70,112</u>		<u>(1,080)</u>
	<u>\$ 550,573</u>	<u>\$ 164,350</u>		
Total Reserve			\$	<u>386,223</u>

Northern Revenue Sharing Trust Account

Schedule of Distribution of Total Community Balance Between "Fund Balance" and "Advanced to Northern Hamlets and Northern Villages"

As at December 31, 1983

Schedule 5

		Less Fund Balance as at September 30, 1983	
	Total Community Balance (Schedule 6)	Transferred from N.S.A.D.T.A. (Schedule 2)	Funds Advanced
Northern Hamlets			
Cole Bay	\$ 3,933	\$ 15,508	\$ (11,575)
Denare Beach	30,442	98,375	(67,933)
Deschambault Lake	18,747	9,657	9,090
Jans Bay	521	1,765	(1,244)
Michel Village	1,305	3,217	(1,912)
Patuanak	71	241	(170)
Pelican Narrows	63,077	58,227	4,850
Southend	954	2,037	(1,083)
St. George's Hill	404	1,030	(626)
Timber Bay	879	2,891	(2,012)
Weyakwin	20,124	18,201	1,923
	<u>140,457</u>	<u>211,149</u>	<u>(70,692)</u>
Northern Village			
Pinehouse	345	165	180
	<u>\$ 140,802</u>	<u>\$ 211,314</u>	
Total Advances			<u>\$ (70,512)</u>

Northern Revenue Sharing Trust Account

Schedule 6

Operating Fund
 Schedule of Continuity of Community Balances
 As at December 31, 1983

	Community Balance 30/09/83	1983 Revenues					1983 Expenditures				Community Balance 31/12/83
		Tax Levies	Lease Fees	Interest Earned	Water and Sewer	Operating Grants	Transfers From MMC	Capital Fund and Other	Services Paid	Water and Sewer	
Northern Settlements											
Brabant Lake.....	\$ 5,418	\$ 499	\$ 43	\$ 129	\$	\$ 20,382	\$ 23,065	\$	\$ 2,614	\$	\$ 46,922
Camsell Portage	1,635	150	.....	122	.....	20,339	13,733	.....	3,048	.....	32,931
Descharme .....	.....	.....	.....	223	.....	22,702	7,476	.....	2,535	.....	27,866
Dore Lake	2,867	356	302	148	.....	25,129	15,294	5,400	10,761	.....	38,735
Garson Lake .....	.....	.....	.....	37	.....	22,690	6,646	.....	3,000	.....	26,373
Kinoosao	1,151	395	.....	263	.....	21,217	28,386	2,000	2,058	.....	51,354
Sled Lake	1,160	166	.....	42	.....	23,800	7,241	.....	5,435	.....	26,974
Stony Rapids	20,303	806	30	145	3,480	39,824	22,515	.....	11,283	.....	75,820
Sturgeon Landing	1,046	197	.....	128	.....	22,815	13,873	.....	4,367	.....	33,692
Turnor Lake.....	18,551	243	.....	20	1,155	48,860	600	.....	8,020	84	61,325
	52,131	2,812	375	1,257	4,635	267,758	138,829	7,400	53,121	84	421,992
Local Advisory Councils											
Missinipe.....	22,881	990	3,583	387	.....	.....	.....	.....	733	.....	27,108
Stanley Mission	9,042	434	224	134	.....	.....	.....	.....	154	.....	9,680
Wollaston Lake	10,184	676	216	22	11,700	.....	.....	.....	.....	37	22,761
	42,107	2,100	4,023	543	11,700	.....	.....	.....	887	37	59,549
Recreational Subdivisions											
East Trout Lake	4,868	475	.....	83	.....	.....	.....	.....	.....	.....	5,426
Jan Lake	7,067	711	.....	102	.....	.....	.....	.....	7	.....	7,873
Keeley Lake.....	829	18	.....	15	.....	.....	.....	.....	.....	.....	862
Lac La Plonge	4,979	414	.....	83	.....	.....	.....	.....	222	.....	5,254
Little Amyot Lake	1,399	88	.....	23	.....	.....	.....	.....	5	.....	1,505
Little Bear Lake.....	13,186	936	.....	227	.....	.....	.....	.....	997	.....	13,352
Lower Fishing Lake	9,088	566	.....	156	.....	.....	.....	.....	.....	.....	9,810
Michel Point.....	778	235	.....	.....	.....	.....	.....	.....	1,432	.....	(419)
Ramsey Bay	18,064	1,577	.....	243	.....	.....	.....	.....	4,003	.....	15,881
Sturgeon Weir	3,104	122	.....	54	.....	.....	.....	.....	2	.....	3,278
Tower Beach.....	111	70	.....	(2)	.....	.....	.....	.....	129	.....	50
Tyrrell Lake.....	2,716	99	.....	33	.....	.....	.....	.....	2,095	.....	753
Waden Bay	1,170	561	.....	15	.....	.....	.....	.....	300	.....	1,446
Whelan Bay	2,753	1,215	.....	134	.....	.....	.....	.....	141	.....	3,961
	70,112	7,087	.....	1,166	.....	.....	.....	.....	9,333	.....	69,032

[illegible]

	1983 Revenues					1983 Expenditures					
				Operating Grants		Capital Fund and Other					
	Community Balance 30/09/83	Tax Levies	Lease Fees	Interest Earned	Water and Sewer	Reverse Bad Debts	Transfers From NMC	Transfers to Hamlets	Services Paid	Water and Sewer	Community Balance 31/12/83
						\$ 267,758		\$ (7,400)			
							\$ 139,290	\$ 127,346	\$ 64,537	\$ 422	\$ 691,375
Grand Totals	\$ 375,664	\$ 23,456	\$ 6,878	\$ 4,411	\$ 24,165	\$ 34,658	\$ 139,290	\$ 127,346	\$ 64,537	\$ 422	\$ 691,375

Northern Revenue Sharing Trust Account

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheets of the Northern Revenue Sharing Trust Account as at December 31, 1984 and the statements of operating fund revenue, expenditure and fund balance and capital fund revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances, except as explained in the following paragraphs.

Note 6 to the financial statements states that the financial operations of the hospital in the Northern Settlement of Uranium City are not consolidated with these financial statements since separate financial statements are prepared and reported upon in accordance with the requirements of Health and Welfare Canada. In my opinion, the preparation of separate financial statements is not, of itself, an acceptable reason for not consolidating the operating fund of the hospital in the financial statements. Conflicting legal opinions have left some uncertainty as to the legally correct treatment to be accorded to the hospital operations and the net working assets of the hospital in these financial statements. Since a resolution of this legal question was not achieved at the date of finalization of these financial statements, I was unable to obtain sufficient appropriate audit evidence to satisfy myself that the exclusion of the hospital operations and net working assets from these financial statements is appropriate. Accordingly, I am unable to determine whether an adjustment is required to the Operating Fund Balance Sheet and Statement of Revenue, Expenditure and Fund Balance to fully consolidate the hospital operations conducted in Uranium City in these financial statements.

As outlined in note 6 to the financial statements, the school facilities in Uranium City have been reflected in the Capital Fund Balance Sheet of the Trust Account based on the premise that ownership of these assets rests with the Trust Account on behalf of the Northern Settlement of Uranium City. Conflicting legal opinions have left some uncertainty as to the legally correct treatment to be accorded to the school facilities. Since a resolution of this legal question was not achieved at the date of finalization of these financial statements, I was unable to obtain sufficient appropriate audit evidence to satisfy myself that the inclusion of the school facilities in these financial statements is appropriate. Accordingly, I am unable to determine whether an adjustment is required to the Capital Fund Balance Sheet to remove the recorded values of the school facilities in Uranium City presently reflected therein in the amount of \$7,446,331.

As outlined in Note 7 to the financial statements, assets acquired on behalf of northern settlements by the Northern Municipal Council are not included in the Capital Fund Balance Sheet because the necessary documentation has not been obtained by Trust Account management which would permit the identification and valuation of these assets. Accordingly, I am unable to determine what adjustment is necessary to the Capital Fund Balance Sheet to reflect this property which, according to statute, is to form one component of the Trust Account.

In view of the possible material effects on the financial statements of the matters described in the preceding paragraphs, I am unable to express an opinion as to whether these financial statements are presented fairly in accordance with an appropriate disclosed basis of accounting.

Regina, Saskatchewan,
June 26, 1985.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Northern Revenue Sharing Trust Account

Operating Fund

Balance Sheet

As at December 31, 1984

Statement 1

	1984	1983
Assets		
Cash		
On deposit — demand	\$ 1,418,856	\$ 1,576,417
— term	5,725,000	3,725,000
	<u>\$ 7,143,856</u>	<u>\$ 5,301,417</u>
Receivables		
Taxes (Schedule 1)		
— Northern Settlements, Recreational Subdivisions and General	\$ 227,728	\$ 30,839
— Northern Hamlets	41,009	43,295
— School	146,000	136,288
	<u>\$ 414,737</u>	<u>\$ 210,422</u>
Water and Sewer	8,557	8,562
Accrued interest and other receivables	135,037	23,747
	<u>\$ 558,331</u>	<u>\$ 242,731</u>
Other Assets		
Inventory	\$ 16,479	\$ —
Tax title property	4,674	—
Prepaid expenses	2,191	—
	<u>\$ 23,344</u>	<u>\$ —</u>
	<u>\$ 7,725,531</u>	<u>\$ 5,544,148</u>
Liabilities and Fund Balance		
Due to Other Funds		
Capital Fund	\$ 785,321	\$ 98,400
Payables		
Due to Northern Lights School Division on account of collected taxes	\$ 81,033	\$ 20,348
Due to Northern Hamlets	134,697	97,162
Due to Northern Villages	16,668	345
Due to Uranium City School Division	270,412	—
Due to Uranium City Hospital	111,403	—
Matured Uranium City debenture debt	10,326	—
General accounts payable	73,013	28,207
Due to Northern Lights School Division on account of uncollected taxes ..	146,000	136,288
Due to Northern Hamlets on account of uncollected taxes	41,009	43,295
	<u>\$ 884,561</u>	<u>\$ 325,645</u>
Asset Valuation Allowances		
Taxes — Northern Settlements, Recreational Subdivisions and General (Schedule 1)	\$ 218,959	\$ 25,009
Other Accounts receivable	9,363	—
	<u>\$ 228,322</u>	<u>\$ 25,009</u>
Reserve		
Future Expenditures of Northern Settlements and Recreational Subdivisions (Schedule 4)	\$ 525,916	\$ 550,573
Fund Balance (Statement 2)	<u>\$ 5,301,411</u>	<u>\$ 4,544,521</u>
	<u>\$ 7,725,531</u>	<u>\$ 5,544,148</u>

(See accompanying notes)

Northern Revenue Sharing Trust Account

Operating Fund

Statement of Revenue, Expenditure and Fund Balance

For the Year Ended December 31, 1984

(with comparative figures for the three months ended December 31, 1983)

Statement 2

	Communities			Sewer and Water			General Municipal	1984 Totals	3 Months to 12/31/83 Totals
	Northern Settlements	Northern Hamlets	Recreational Subdivisions	Northern Settlements	Northern Hamlets				
Revenues:									
Net tax levy (Note 3)	\$ 32,849	\$ 36,117	\$ 29,232	\$ —	\$ —	\$ —	\$ 268,479	\$ 366,677	\$ 93,067
Land leases	3,215	6,038	—	—	—	—	714,797	724,050	330,840
Land sales	—	—	—	—	—	—	4,200	4,200	—
Operating grants — unconditional ..	739,105	27,311	—	—	—	—	—	766,416	267,758
Other grants — conditional	105,548	—	—	—	—	—	—	105,548	—
Capital grants	41,291	—	—	—	—	—	359,012	400,303	—
Interest	38,059	969	6,491	—	—	—	472,930	518,449	93,440
Transfers from Northern Municipal Council (Note 2)	57,744	—	—	—	—	—	78,299	136,043	139,290
Transfers from northern settlements	—	86,919	—	—	—	—	—	86,919	—
User fees	—	—	—	47,745	12,570	—	—	60,315	24,165
Transfer from Capital Fund	—	—	—	—	—	—	—	—	5,400
Bad debt allowances reversed	—	6,198	—	—	—	—	—	6,198	34,658
Other	22,620	—	—	—	—	—	1,251	23,871	2,212
	\$ 1,040,431	\$ 163,552	\$ 35,723	\$ 47,745	\$ 12,570	\$ 12,570	\$ 1,898,968	\$ 3,198,989	\$ 990,830
Expenditures:									
Services — paid direct	\$ 638,695	\$ 500	\$ 13,872	\$ 434	\$ —	\$ —	\$ 4,616	\$ 658,117	\$ 64,837
Capital expenditures	90,551	—	—	—	—	—	—	90,551	—
Transfers to northern hamlets	86,919	110,422	—	—	—	—	—	197,341	127,346
Transfers to northern villages	—	29,951	—	—	—	—	—	29,951	—
Capital grants	—	—	—	—	—	—	1,131,401	1,131,401	—
Operating costs	—	—	—	—	—	—	6,303	6,303	422
Bad debts	1,559	—	299	—	—	—	(242)	1,616	—
Other	—	—	—	—	—	—	—	—	692
	\$ 817,724	\$ 140,873	\$ 14,171	\$ 434	\$ —	\$ —	\$ 1,142,078	\$ 2,115,280	\$ 193,297
Excess of Revenues over Expenditures before the undernoted (to page 2)	\$ 222,707	\$ 22,679	\$ 21,552	\$ 47,311	\$ 12,570	\$ 12,570	\$ 756,890	\$ 1,083,709	\$ 797,533
Excess of Revenues over Expenditures before the undernoted (from page 1)	222,707	22,679	21,552	47,311	12,570	12,570	756,890	1,083,709	797,533
Less excess of liabilities over assets transferred from Uranium City	(316,227)	—	—	—	—	—	—	(316,227)	—
	\$ (93,520)	\$ 22,679	\$ 21,552	\$ 47,311	\$ 12,570	\$ 12,570	\$ 756,890	\$ 767,482	\$ 797,533

Amount transferred (to) from reserve for future expenditures of northern settlements and recreational subdivisions	\$ 93,520	\$ (21,552)	\$ (47,311)	\$ 24,657	\$ (386,223)
Amount transferred (to) from advances to northern hamlets and northern villages	\$		\$ (12,570)	\$ (35,249)	\$ 70,512
Excess of Revenues over Expenditures	\$ (22,679)			\$ 756,890	\$ 481,822
Fund Balance — beginning of the year				\$ 4,920,185	\$ 4,438,363
Prior Period Adjustment (Note 4)				(375,664)	(375,664)
Fund Balance as restated				\$ 4,544,521	\$ 4,062,699
Fund Balance — end of the year (to Statement 1)				\$ 5,301,411	\$ 4,544,521

(See accompanying notes)

Northern Revenue Sharing Trust Account

Capital Fund

Balance Sheet

As at December 31, 1984

(with comparative figures as at December 31, 1983)

Statement 3

	1984	1983
Assets		
Due from Operating Fund	\$ 785,321	\$ 98,400
Capital Assets (Schedule 2)	14,281,808	—
	<u>\$ 15,067,129</u>	<u>\$ 98,400</u>
Liabilities, Reserve and Equity		
Long Term Debt		
Unmatured long term debt	\$ 39,948	\$ —
Reserve for Future Capital Expenditures of Communities (Statement 4 and Schedule 3)	\$ 137,114	\$ 98,400
Equity in Capital Fund Assets (Schedule 5)		
Transferred from Uranium City	\$ 14,782,747	\$ —
Transferred from Northern Municipal Council	16,769	—
Transferred from operating fund	90,551	—
	<u>\$ 14,890,067</u>	<u>\$ —</u>
	<u>\$ 15,067,129</u>	<u>\$ 98,400</u>

(See accompanying notes)

Capital Fund

Statement of Revenue and Expenditure

For the Year Ended December 31, 1984

(with comparative figures for the three months ended December 31, 1983)

Statement 4

	1984	3 Months to 12/31/83
Revenues:		
Communities		
Land sales	\$ 38,544	\$ 6,499
Interest	9,439	1,634
	<u>\$ 47,983</u>	<u>\$ 8,133</u>
Expenditures:		
Communities		
Community improvements — paid through Northern Municipal Council ...	\$ —	\$ 1,500
Transfers to northern hamlets	9,269	1,993
Transfer to Operating Fund	—	5,400
	<u>\$ 9,269</u>	<u>\$ 8,893</u>
Excess (deficit) of revenues over expenditures — to reserve for future capital expenditures	\$ 38,714	\$ (760)
Reserve for future capital expenditures — balance — beginning of the year ..	98,400	—
Reserve for future capital expenditures — transferred from Northern Saskatchewan Administration District Trust Account	—	99,160
Reserve for future capital expenditures — end of the year (to Statement 3) ..	<u>\$ 137,114</u>	<u>\$ 98,400</u>

(See accompanying notes)

Northern Revenue Sharing Trust Account

Notes to the Financial Statements

December 31, 1984

1. Significant Accounting Policies

i) Basis of Accounting

The financial statements of the Northern Revenue Sharing Trust Account have been prepared in accordance with accounting policies established by the Department of Urban Affairs for urban municipalities in Saskatchewan and with fixed asset accounting policies established by the Department of Education for school divisions and by the Department of Health for hospitals in Saskatchewan.

ii) Administrative Expenses of the Trust Account

Administrative expenses of the trust account are borne by the Consolidated Fund and the financial statements of the trust account do not include provisions for such expenses. The estimated administrative expenses incurred on behalf of the trust account for the year ended December 31, 1984 totalled \$164,661.

iii) Crown Land Leases Revenue

Revenues from Crown land leases are recognized when monies are received by the trust account from the Department of Parks and Renewable Resources. An amount is accrued at the end of the period in respect of monies received by the Department of Parks and Renewable Resources, but not remitted to the trust account until the following year.

iv) Crown Land Sales Revenue

Revenues from Crown land installment sales are recognized when monies are received by the trust account.

v) Net Tax Levy Revenue

Taxes are levied annually, covering the period January 1 to December 31.

vi) Capital Assets Accounting Policy

Capital assets used in the administration of the Northern Municipal Council which became vested in the Minister upon the termination of the Northern Municipal Council are reflected in the financial statements at estimated realizable value. The books of account of the Northern Municipal Council did not contain sufficient information from which to determine the historical costs of those assets. The estimates of net realizable value were derived from an independent property appraiser in the case of land and building and from the Sales and Salvage Division of Saskatchewan Supply and Services in the case of office furniture and equipment and automotive equipment.

Capital assets acquired by the Northern Revenue Sharing Trust Account are recorded at historical cost. As a general rule, capital assets having a cost of \$100 or more are capitalized for accounting purposes. The only exception to that rule would be in the case of office and shop machines and equipment where expenditures of amounts of less than \$100 may be capitalized depending upon the nature of the machines or equipment acquired.

Accounting policies of the Department of Urban Affairs for urban municipalities in Saskatchewan and of the Department of Education for school divisions in Saskatchewan direct that no provision for depreciation be made in the financial statements. This is not the case for Saskatchewan hospitals where accounting practice calls for the provision of depreciation in the financial statements. The Capital Fund Balance Sheet therefore reflects the municipal and school capital assets at historical cost while the hospital capital assets are reflected at net book value.

vii) Asset Valuation Allowance

The Northern Revenue Sharing Trust Account levies, collects and remits municipal taxes on a trust basis on behalf of northern hamlets and school taxes on behalf of the Northern Lights School Division. In that capacity, the Northern Revenue Sharing Trust Account is merely acting as an agent of the northern hamlet and of the school division. Accounting policies of the Department of Urban Affairs for urban municipalities in Saskatchewan direct that, with respect to the provision of allowances for uncollected taxes, no provision for uncollectable taxes be made for taxes levied on a trust basis. Accordingly, these financial statements provide an allowance for uncollectable taxes only for uncollected municipal taxes levied with respect to the District outside of the boundaries of northern hamlets.

viii) Reserve: Future Expenditures of Northern Settlements and Recreational Subdivisions

Under The Northern Municipalities Act, administrative responsibility and trusteeship over funds of northern settlements and recreational subdivisions rests with the Minister of Urban Affairs through the Trust Account. The reserve represents the accumulated excess of municipal revenues over expenditures and is maintained on an individual northern settlement and recreational subdivision basis. Revenues generated within each northern settlement and recreational subdivision can only be applied toward the payment of expenditures for that same community.

ix) Interest Earnings

Interest earnings of the fund are allocated on the basis of the monthly balance for each community as accounted for within the reserve for future expenditures of northern settlements and recreational subdivisions along with an allocation to the general balance within the fund balance on the same

Northern Revenue Sharing Trust Account

Notes to Financial Statements — (Concluded)

2. The Northern Municipalities Act

The Northern Municipalities Act provides that all property held by the Northern Municipal Council (NMC) for the benefit of any former Local Advisory Council established as a northern settlement be vested in the Minister for the benefit of the new Northern Settlement. Pursuant to this provision, the NMC has transferred monies to the NRS Trust Account for the benefit of various northern settlements.

Upon the termination of the NMC on March 31, 1984, the remaining general funds on hand and assets used in the administration of the NMC became vested in the Minister as part of the general fund balance.

3. Net Tax Levy

The Tax Levy shown is net of penalties, cancellations, refunds and discounts.

4. Prior Period Adjustment

On June 11, 1985, assent was given to an Act to Amend The Northern Municipalities Act. This Act provided a retro-active amendment clarifying that funds held for the benefit of former Local Community Authorities, Local Advisory Councils and Recreational Subdivisions by the Northern Administration District Trust Account were to be transferred to the Northern Revenue Sharing Trust Account on behalf of those particular communities. The "Fund Balance" as shown in the 1983 financial statements of the Northern Revenue Sharing Trust Account contained those balances with any amounts having been advanced to those communities in 1983 being reflected as "Advances to Northern Hamlets and Northern Villages". As a result of the retro-active amendment, the 1983 comparative figures have been adjusted to reflect those balances as "Due to Northern Hamlets" and "Due to Northern Villages" and as part of the "Reserve for Future Expenditure of Northern Settlements and Recreational Subdivisions". The Statement of Revenue, Expenditure and Fund Balance shows a prior period adjustment of \$375,664 which represents those amounts which have been removed from the 1983 "Fund Balance".

5. Contingent Liability

In conjunction with the coming into force of The Northern Municipalities Act on October 1, 1983, a Northern Capital Grants Program was put in place to provide funding assistance to northern municipalities in the construction and acquisition of capital works. The Province established, by regulation, a five-year \$6.4 million program and it is anticipated that approximately \$3.4 million of the program funding will come from the Fund Balance of the Northern Revenue Sharing Trust Account. The actual funding requirement over the life of the program and in any one year is dependent upon the number and dollar value of grant applications received and approved by the Minister of Urban Affairs.

6. Uranium City Reversion of Status

- i) On October 1, 1984, the Town of Uranium City was reverted in status to a Northern Settlement. These statements reflect the operations of the Northern Settlement of Uranium City for the three month period October 1, 1984 to December 31, 1984.
- ii) Prior to the reversion in status of the Municipal Corporation of Uranium City and District to the status of a town and, subsequently, to a northern settlement the Municipal Corporation operated under a Charter which allowed the municipal council to also function as the Board of Trustees of the Uranium City School Division. Upon reversion of status to that of a town, the school division operated under an official trustee appointed by an Order of the Minister of Education. At the same time, the Uranium City hospital came under the administration of Saskatoon City Hospital. The financial operations of the operating funds of the school and hospital are not consolidated into the statements of the Northern Revenue Sharing Trust Account as separate financial statements are prepared and reported upon in accordance with the requirements of The Education Act and of Health and Welfare Canada. Since ownership of the capital assets of both the school and the hospital still rests with the Trust Account on behalf of the Northern Settlement of Uranium City, those capital assets are reflected in the Capital Fund Balance Sheet of the Trust Account.

7. Capital Assets

The Capital Fund Balance Sheet reflects only the fixed assets of the Northern Settlement of Uranium City, assets used in the administration of the Northern Municipal Council (NMC) which became vested in the Trust Account upon the termination of the NMC, and those acquired on behalf of northern settlements since the coming into force of The Northern Municipalities Act. Assets acquired on behalf of northern settlements by the NMC are not included in the Capital Fund Balance Sheet. This is due to the accounting practices of the NMC, along with the absence of necessary documentation, which have prevented identification of physical assets and their cost through the books of account of the NMC. The northern settlements will be visited during 1985 at which time a physical inspection, identification and valuation of community assets will be made for financial statement purposes.

Northern Revenue Sharing Trust Account

Schedule of Taxes Receivable and Asset Valuation Allowance

Schedule 1

As at December 31, 1984

(with comparative figures as at December 31, 1983)

	1984		1983	
	Taxes Receivable	Asset Valuation Allowance	Taxes Receivable	Asset Valuation Allowance
General Municipal				
Northern Settlements				
Brabant Lake	\$ —	\$ —	\$ 23	\$ —
Camsell Portage	601	525	618	469
Dore Lake	2,354	1,972	1,666	1,738
Kinoosao	880	505	472	261
* Missinipe	—	—	5,440	4,628
Sled Lake	663	528	863	451
* Stanley Mission	—	—	1,518	958
Stony Rapids	1,623	765	1,604	951
Sturgeon Landing	31	11	—	—
* Turnor Lake	—	—	713	612
Uranium City	198,757	198,532	—	—
Wollaston Lake	6,706	5,580	5,274	4,457
	<u>\$ 211,615</u>	<u>\$ 208,418</u>	<u>\$ 18,191</u>	<u>\$ 14,525</u>
Recreational Subdivisions				
East Trout Lake	\$ 110	\$ 39	\$ (61)	\$ 34
Jan Lake	722	528	516	347
Keeley Lake	6	2	10	10
Lac La Plonge	301	194	287	156
Little Amyot Lake	77	27	71	26
Little Bear Lake	335	203	491	270
Lower Fishing Lake	438	334	441	311
Michel Point	245	151	260	171
Ramsey Bay	1,348	793	1,548	865
Sturgeon Weir	250	160	3	28
Tower Beach	367	134	259	138
Tyrrell Lake	98	49	113	32
Waden Bay	295	194	181	139
Whelan Bay	628	372	791	354
	<u>\$ 5,220</u>	<u>\$ 3,180</u>	<u>\$ 4,910</u>	<u>\$ 2,881</u>
Northern Dispositions	<u>\$ 9,978</u>	<u>\$ 6,795</u>	<u>\$ 7,738</u>	<u>\$ 7,603</u>
Mines	<u>\$ 915</u>	<u>\$ 566</u>	<u>\$ —</u>	<u>\$ —</u>
Total General Municipal (to Statement 1)	<u>\$ 227,728</u>	<u>\$ 218,959</u>	<u>\$ 30,839</u>	<u>\$ 25,009</u>

*During 1984 these communities changed their status to Northern Hamlets.

Northern Revenue Sharing Trust Account

Schedule of Taxes Receivable and Asset Valuation Allowance — (Concluded)

Schedule 1

	<i>Taxes Receivable 1984</i>	<i>Taxes Receivable 1983</i>
Northern Hamlets		
Cole Bay	\$ 1,529	\$ 1,512
* Denare Beach	—	11,420
Deschambault Lake	14,406	11,365
Jans Bay	417	207
Michel Village	786	596
Missinipe	1,372	—
Patuanak	—	76
Pelican Narrows	18,131	15,427
Southend	382	488
Stanley Mission	1,199	—
St. George's Hill	—	199
Timber Bay	254	428
Turnor Lake	597	—
Weyakwin	1,936	1,577
Total Northern Hamlets (to Statement 1)	<u>\$ 41,009</u>	<u>\$ 43,295</u>
School		
Northern Lights School Division	\$ 146,000	\$ 136,288
Total School (to Statement 1)	<u>\$ 146,000</u>	<u>\$ 136,288</u>

*During 1984 this community changed its status to a Northern Village.

Capital Fund

Schedule of Capital Assets

Schedule 2

As at December 31, 1984

	<i>Transferred from Uranium City</i>	<i>Transferred from Northern Municipal Council</i>	<i>Acquired from Operating Fund</i>	<i>Balance Dec. 31/84</i>
Administration — land, buildings and equipment ...	\$ 74,815	\$ 16,769	\$ 20,587	\$ 112,171
Fire protection	97,682	—	—	97,682
Heliport.	5,090	—	—	5,090
Public works	836,654	—	21,865	858,519
Sanitation grounds	3,821	—	900	4,721
Community service facilities ..	2,054,771	—	23,190	2,077,961
RCMP building and equipment	636,374	—	—	636,374
Water and sewer facilities	2,529,552	—	24,009	2,553,561
Public housing	4,396	—	—	4,396
	<u>\$ 6,243,155</u>	<u>\$ 16,769</u>	<u>\$ 90,551</u>	<u>\$ 6,350,475</u>
Schools — land, buildings and equipment	\$ 7,446,331	\$ —	\$ —	\$ 7,446,331
Hospital — land, buildings and equipment	\$ 1,531,609	\$ —	\$ —	\$ 1,531,609
Less accumulated depreciation	1,046,607	—	—	1,046,607
	<u>\$ 485,002</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 485,002</u>
Total (to Statement 3)	<u>\$ 14,174,488</u>	<u>\$ 16,769</u>	<u>\$ 90,551</u>	<u>\$ 14,281,808</u>

Northern Revenue Sharing Trust Account

Capital Fund

Schedule of Reserve for Future Capital Expenditure

Schedule 3

As at December 31, 1984

(with comparative figures as at December 31, 1983)

	1984	1983
Northern Settlements		
Brabant Lake	\$ 4,089	\$ 3,768
Camsell Portage	2,451	2,259
Dore Lake	526	485
Kinoosao	3,502	3,227
Sled Lake	473	435
Stony Rapids	3,390	1,001
Wollaston Lake	6,268	5,776
	<u>\$ 20,699</u>	<u>\$ 16,951</u>
Northern Hamlets		
Cole Bay	\$ 4,210	\$ 3,880
Deschambault Lake	308	283
Jans Bay	6,424	1,341
Michel Village	1,853	1,708
Missinipe	29,442	18,540
Patuanak	3,163	2,915
Pelican Narrows	4,724	4,353
Southend	85	78
Stanley Mission	584	538
St. George's Hill	7,003	6,454
Timber Bay	1,333	546
Turnor Lake	2	2
Weyakwin	9,746	8,981
	<u>\$ 68,877</u>	<u>\$ 49,619</u>
Northern Villages and Towns		
Denare Beach	\$ 47,519	\$ 31,817
Buffalo Narrows	7	—
Green Lake	1	—
Beauval	2	—
Ile-a-la-Crosse	2	—
La Loche	6	—
La Ronge	1	—
Pinehouse	—	13
	<u>\$ 47,538</u>	<u>\$ 31,830</u>
Total Reserve (to Statement 3)	<u>\$ 137,114</u>	<u>\$ 98,400</u>

Northern Revenue Sharing Trust Account

Operating Fund

Schedule of Continuity of Reserve for Future Expenditures of Northern Settlements and Recreational Subdivisions

For the Year Ended December 31, 1984

Schedule 4

1984 Revenues

	Community Balance 31/12/83	Tax Levies	Lease Fees	Interest Earned	Water and Sewer Fees	Transfers	Unconditional Operating Grants	Conditional Operating Grants	Capital Grants	Other
Northern Settlements										
Brabant Lake	\$ 46,922	\$ 2,010	\$ 115	\$ 3,839	\$ —	\$ —	\$ 73,722	\$ 5,199	\$ 12,681	\$ 315
Camsell Portage	32,931	721	—	3,049	—	—	41,927	18,273	—	—
Descharme	27,866	—	—	1,907	—	—	40,773	—	—	—
Dore Lake	38,735	2,144	126	3,885	—	—	39,581	2,500	13,500	—
Garson Lake	26,373	—	—	1,212	—	—	40,735	—	1,800	—
Kinoosao	51,354	1,611	225	5,427	—	—	41,092	2,500	—	500
Missinipe	27,108	—	—	305	—	—	—	—	—	—
Sled Lake	26,974	620	—	1,630	—	—	39,503	20,589	13,310	2,765
Stanley Mission	9,680	—	—	157	—	—	—	—	—	—
Stony Rapids	75,820	4,380	2,064	5,327	10,920	4,648	102,194	6,900	—	2,112
Sturgeon Landing	33,692	1,021	—	3,611	—	—	40,188	2,500	—	—
Turnor Lake	61,325	2,566	—	2,598	3,675	3,111	54,622	26,276	—	—
Wollaston	22,761	2,801	685	5,112	33,150	49,985	99,460	19,711	—	3,137
Uranium City	—	14,975	—	—	—	(316,227)	125,308	1,100	—	13,791
	\$ 481,541	\$ 32,849	\$ 3,215	\$ 38,059	\$ 47,745	\$ (258,483)	\$ 739,105	\$ 105,548	\$ 41,291	\$ 22,620
Recreational Subdivisions										
East Trout Lake	\$ 5,426	\$ 1,896	\$ —	\$ 490	\$ —	\$ —	\$ —	\$ —	\$ —	—
Jan Lake	7,873	3,112	—	645	—	—	—	—	—	—
Keeley Lake	862	68	—	74	—	—	—	—	—	—
Lac La Plonge	5,254	1,644	—	438	—	—	—	—	—	—
Little Anyot Lake	1,505	424	—	127	—	—	—	—	—	—
Little Bear Lake	13,352	3,628	—	1,144	—	—	—	—	—	—
Lower Fishing Lake	9,810	2,269	—	847	—	—	—	—	—	—
Michel Point	(419)	1,362	—	27	—	—	—	—	—	—
Ramsey Bay	15,881	6,380	—	1,178	—	—	—	—	—	—
Sturgeon Weir	3,278	493	—	274	—	—	—	—	—	—
Tower Beach	50	438	—	8	—	—	—	—	—	—
Tyrrell Lake	753	395	—	62	—	—	—	—	—	—
Waden Bay	1,446	2,242	—	106	—	—	—	—	—	—
Whelan Bay	3,961	4,881	—	1,071	—	—	—	—	—	—
	\$ 69,032	\$ 29,232	\$ —	\$ 6,491	\$ —	\$ —	\$ —	\$ —	\$ —	—
Reserve Balance (to Statement 1)	\$ 550,573	\$ 62,081	\$ 3,215	\$ 44,550	\$ 47,745	\$ (258,483)	\$ 739,105	\$ 105,548	\$ 41,291	\$ 22,620

1984 Expenditures

	Transfers to Northern Villages	Bad Debt Expense	Services Paid	Capital Expenditure	Transferred to Hamlet	Water and Sewer Expense	Community Balance 31/12/84
Northern Settlements							
Brabant Lake	\$ —	\$ —	59,238	26,641	—	—	58,924
Camsell Portage	—	56	45,978	1,151	—	—	49,716
Descharme	—	—	38,772	10,420	—	—	21,354
Dore Lake	—	234	20,121	—	—	—	80,116
Garson Lake	—	—	52,502	2,000	—	—	15,618
Kinoosao	—	244	5,604	—	—	—	96,861
Missinipe	—	—	—	—	27,413	—	—
Sled Lake	—	77	51,487	18,920	—	—	34,907
Stanley Mission	—	—	230	—	9,607	—	—
Stony Rapids	—	(186)	55,141	30,519	—	—	128,891
Sturgeon Landing	—	11	14,675	—	—	—	66,326
Turnor Lake	—	—	104,209	—	49,899	65	—
Wollaston	—	1,123	63,098	900	—	369	171,312
Uranium City	—	—	127,640	—	—	—	(288,693)
	\$ —	\$ 1,559	\$ 638,695	\$ 90,551	\$ 86,919	\$ 434	\$ 435,332
Recreational Subdivisions							
East Trout Lake	\$ —	\$ 5	40	—	—	—	7,767
Jan Lake	—	181	88	—	—	—	11,361
Keeley Lake	—	(8)	—	—	—	—	1,012
Lac La Plonge	—	38	1,815	—	—	—	5,483
Little Anyot Lake	—	1	—	—	—	—	2,055
Little Bear Lake	—	(67)	32	—	—	—	18,159
Lower Fishing Lake	—	23	—	—	—	—	12,903
Michel Point	—	(20)	1,444	—	—	—	(454)
Ramsey Bay	—	(72)	8,227	—	—	—	15,284
Sturgeon Weir	—	132	—	—	—	—	3,913
Tower Beach	—	(4)	471	—	—	—	29
Tyrrell Lake	—	17	—	—	—	—	1,193
Waden Bay	—	55	1,545	—	—	—	2,194
Whelan Bay	—	18	210	—	—	—	9,685
	\$ —	\$ 299	\$ 13,872	\$ —	\$ —	\$ —	\$ 90,584
Reserve Balance (to Statement 1)	\$ —	\$ 1,858	\$ 652,567	\$ 90,551	\$ 86,919	\$ 434	\$ 525,916

Northern Revenue Sharing Trust Account

Capital Fund

Schedule of Equity in Capital Fund Assets

Schedule 5

As at December 31, 1984

(with comparative figures as at December 31, 1983)

	1984	1983
Northern Settlements		
Brabant Lake	\$ 26,641	\$ —
Camsell Portage	1,151	—
Descharme Lake	10,420	—
Garson Lake	2,000	—
Sled Lake	18,920	—
Stony Rapids	30,519	—
Uranium City	14,782,747	—
Wollaston Lake	900	—
	<u>\$ 14,873,298</u>	<u>\$ —</u>
General	16,769	—
Total Equity (to Statement 3)	<u><u>\$ 14,890,067</u></u>	<u><u>\$ —</u></u>

Northern Revenue Sharing Trust Account

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheets of the Northern Revenue Sharing Trust Account as at December 31, 1985 and the statements of operating fund revenue, expenditure and fund balance and capital fund revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances, except as explained in the following paragraphs.

Note 6 to the financial statements states that the financial operations of the operating fund of the hospital in the Northern Settlement of Uranium City are not consolidated with these financial statements since separate financial statements are prepared and reported upon in accordance with the requirements of Health and Welfare Canada. In my opinion, the preparation of separate financial statements is not, of itself, an acceptable reason for not including the operating fund of the hospital in the financial statements. Conflicting legal opinions have left some uncertainty as to the appropriate treatment to be accorded to the hospital operations and the net working assets of the hospital in these financial statements. Since a resolution of this legal question was not achieved at the date of finalization of these financial statements, I was unable to obtain sufficient appropriate audit evidence to satisfy myself that the exclusion of the hospital operations and net working assets from these financial statements is appropriate. Accordingly, I am unable to determine whether an adjustment is required to the Operating Fund Balance Sheet and Statement of Revenue, Expenditure and Fund Balance to fully account for the hospital operations conducted in Uranium City in these financial statements.

As outlined in note 6 to the financial statements, the school facilities in Uranium City have been reflected in the Capital Fund Balance Sheet of the Trust Account based on the premise that ownership of these assets rests with the Trust Account on behalf of the Northern Settlement of Uranium City. Conflicting legal opinions have left some uncertainty that this is the appropriate treatment to be accorded to the school facilities. Since a resolution of this legal question was not achieved at the date of finalization of these financial statements, I was unable to obtain sufficient appropriate audit evidence to satisfy myself that the inclusion of the school facilities in these financial statements is appropriate. Accordingly, I am unable to determine whether an adjustment is required to the Capital Fund Balance Sheet to remove the recorded values of the school facilities in Uranium City presently reflected therein in the amount of \$7,446,331. In addition, I am unable to determine if note 8 properly reflects the consequences of the Regulations establishing the Uranium City School Division No. 115 as they affect the reported transactions of the Trust Account in 1986.

In view of the possible material effects on the financial statements of the matters described in the preceding paragraphs, I am unable to express an opinion as to whether these financial statements are presented fairly in accordance with an appropriate disclosed basis of accounting.

Regina, Saskatchewan,
October 3, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Northern Revenue Sharing Trust Account

Operating Fund

Balance Sheet

As at December 31

Statement 1

	1985	1984
Assets		
Cash		
On Hand — petty cash	\$ 224	\$
On Deposit		
— demand	1,264,829	1,418,856
— term	7,725,000	5,725,000
	<u>8,990,053</u>	<u>7,143,856</u>
Receivables		
Taxes (Schedule 1)		
— Northern Settlements, Recreational Subdivisions and General	191,359	227,728
— Northern Hamlets	42,559	41,009
— School	256,481	146,000
	<u>490,399</u>	<u>414,737</u>
Water and Sewer	6,512	8,557
Accrued Interest and other Receivables	75,799	135,037
	<u>572,710</u>	<u>558,331</u>
Other Assets		
Inventory	10,000	16,479
Tax title property	4,674	4,674
Prepaid expenses	1,857	2,191
	<u>16,531</u>	<u>23,344</u>
	<u>\$ 9,579,294</u>	<u>\$ 7,725,531</u>
Liabilities and Fund Balance		
Due to Other Funds		
Capital Fund	\$ 702,028	\$ 785,321
Payables		
Due to Northern Lights School Division on account of collected taxes	43,211	81,033
Due to Northern Hamlets	22,037	134,697
Due to Northern Villages	4,989	16,668
Due to Uranium City School Division	278,988	270,412
Due to Uranium City Hospital	89,691	111,403
Matured Uranium City debenture debt	17,069	10,326
General accounts payable	120,155	73,013
Due to Northern Village of Ile a la Crosse on uncollected taxes transferred	8,612	.....
Due to Ile a la Crosse School Division on account of uncollected taxes	8,321	.....
Due to Northern Lights School Division on account of uncollected taxes	173,814	146,000
Due to Uranium City School Division on account of uncollected taxes	74,346	.....
Due to Northern Hamlets on account of uncollected taxes	42,559	41,009
	<u>883,792</u>	<u>884,561</u>
Other		
Deferred grant revenues	206,999	156,798
Asset Valuation Allowances		
Taxes — Northern Settlements, Recreational Subdivisions and General (Schedule 1)	153,585	218,959
Other accounts receivable	8,991	9,363
	<u>162,576</u>	<u>228,322</u>
Reserve		
Future Expenditures of Northern Settlements and Recreational Subdivisions (Schedule 4)	602,470	369,118
Fund Balance (Statement 2)	<u>7,021,429</u>	<u>5,301,411</u>
	<u>\$ 9,579,294</u>	<u>\$ 7,725,531</u>

(See accompanying notes)

Northern Revenue Sharing Trust Account

Operating Fund

Statement of Revenue, Expenditure and Fund Balance

For the Year Ended December 31

Statement 2

	Communities			Sewer and Water			General Municipal	1985 Totals	1984 Totals
	Northern Settlements	Northern Hamlets		Recreational Subdivisions	Northern Settlements				
	(See Schedule 4)		(See Schedule 4)	(See Schedule 4)					
Revenue:									
Net tax levy	\$ 39,117	\$ 48,437	\$ 29,978	\$	\$	\$ 266,458	\$ 383,990	\$ 366,677	
Land leases	3,239	5,422	.....	.....	.....	660,597	669,258	724,050	
Land sales .....	.....	.....	.....	.....	.....	1,075,560	1,075,560	4,200	
Advances from Consolidated Fund for:									
— operating grants (Note 3) .....	.....	.....	.....	.....	.....	5,447,777	5,447,777	5,868,914	
— capital grants (Note 4) .....	.....	.....	.....	.....	.....	490,497	490,497	359,012	
Operating grants — unconditional	947,509	.....	.....	.....	.....	.....	947,509	766,416	
Other grants — conditional	140,043	.....	.....	.....	.....	.....	140,043	105,548	
Capital grants	164,208	.....	.....	.....	.....	.....	164,208	41,291	
Interest	68,761	.....	5,828	.....	.....	484,702	559,291	518,449	
Transfers from Northern Municipal Council .....	.....	.....	.....	.....	.....	.....	.....	136,043	
Transfer from northern settlements .....	.....	75,850	.....	.....	24,113	.....	75,850	86,919	
User fees .....	.....	.....	.....	.....	.....	.....	24,113	60,315	
Bad debt allowances reversed .....	.....	1,972	.....	.....	.....	.....	1,972	6,198	
Other	49,306	.....	.....	.....	.....	3,057	52,363	23,871	
	1,412,183	131,681	35,806	24,113		8,428,648	10,032,431	9,067,903	
Expenditures:									
Services — paid direct	817,331	12,681	15,233	136,389		.....	981,634	658,117	
Capital expenditures	241,752	.....	4,844	.....		.....	246,596	90,551	
Transfers to northern hamlets	75,850	236,318	.....	.....		.....	312,168	197,341	
Transfer to northern villages .....	.....	.....	.....	.....		.....	.....	29,951	
Operating grants (Note 3) .....	.....	.....	.....	.....		5,447,777	5,447,777	5,868,914	
Capital grants (Note 4) .....	.....	.....	.....	.....		1,249,546	1,249,546	1,131,401	
Operating costs .....	.....	.....	.....	.....		7,675	7,675	6,303	
Transfers to allowances	(53,784)	.....	1,135	.....		3,170	(49,479)	1,616	
Other .....	.....	.....	.....	.....		462	462	.....	
	1,081,149	248,999	21,212	136,389		6,708,630	8,196,379	7,984,194	

Northern Revenue Sharing Trust Account

Operating Fund

Statement of Revenue, Expenditure and Fund Balance — (Continued)

Statement 2

	Communities		Sewer and Water		General Municipal	1985 Totals	1984 Totals
	Northern Settlements (See Schedule 4)	Northern Hamlets	Recreational Subdivisions (See Schedule 4)	Northern Settlements (See Schedule 4)			
Excess of Revenue over Expenditures before the undereoted	331,034	(117,318)	14,594	(112,276)	1,720,018	1,836,052	1,083,709
Less excess of liabilities over assets transferred from Uranium City .....	.....	.....	.....	.....	.....	.....	(316,227)
Amount transferred (to) from reserve for future expenditures of Northern Settlements and Recreational Subdivisions	331,034	(117,318)	14,594	(112,276)	1,720,018	1,836,052	767,482
Amount transferred (to) from advances to Northern Hamlets	(331,034)		(14,594)	112,276		(233,352)	24,657
		117,318				117,318	(35,249)
Excess of Revenue over Expenditures	\$	\$	\$	\$	\$ 1,720,018	1,720,018	756,890
Fund Balance — beginning of year						5,301,411	4,544,521
Fund Balance — end of year (to Statement 1)						\$ 7,021,429	\$ 5,301,411

(See accompanying notes)

Northern Revenue Sharing Trust Account

Capital Fund

Balance Sheet

As at December 31

Statement 3

	1985	1984
Assets		
Due from Operating Fund	\$ 702,028	\$ 785,321
Capital Assets (Schedule 2)	15,451,571	14,281,808
	<u>\$ 16,153,599</u>	<u>\$ 15,067,129</u>
Liabilities, Reserve and Equity		
Unmatured Long Term Debt	\$ 36,082	\$ 39,948
Reserve for Future Capital Expenditures of Communities (Statement 5 and Schedule 3)	35,335	137,114
Equity in Capital Fund Assets (Statement 4 and Schedule 5)	16,082,182	14,890,067
	<u>\$ 16,153,599</u>	<u>\$ 15,067,129</u>

(See accompanying notes)

Capital Fund

Statement of Continuity of Equity in Capital Fund Assets

For the Year Ended December 31

Statement 4

	1985	1984
Balance — beginning of year	\$ 14,890,067	\$
Transferred from Uranium City .....	.....	14,782,747
Transferred from Northern Municipal Council .....	.....	16,769
Transferred from Operating Fund	246,596	90,551
Capitalization of previously unrecorded assets (Note 7)	969,914	.....
Long term debt retired during the year	3,866	.....
Profit on disposal of fixed assets	202	.....
Assets acquired by hospital from grants	20,066	.....
Depreciation taken for 1985 on hospital assets	(48,529)	.....
Balance — end of year (to Statement 3)	<u>\$ 16,082,182</u>	<u>\$ 14,890,067</u>

(See accompanying notes)

Capital Fund

Statement of Revenue and Expenditure

For the Year Ended December 31

Statement 5

	1985	1984
Revenue:		
Communities		
Land sales	\$ 21,235	\$ 38,544
Interest	10,006	9,439
	<u>31,241</u>	<u>47,983</u>
Expenditures:		
Communities		
Transfers to northern hamlets	78,182	9,269
Transfers to towns and northern villages	54,838	.....
	<u>133,020</u>	<u>9,269</u>
Excess (deficit) of revenues over expenditures		
— to reserve for future capital expenditures	(101,779)	38,714
Reserve for future capital expenditures		
— beginning of the year	137,114	98,400
Reserve for future capital expenditures		
— end of the year (to Statement 3)	<u>\$ 35,335</u>	<u>\$ 137,114</u>

(See accompanying notes)

Northern Revenue Sharing Trust Account

Notes to Financial Statements

December 31, 1985

1. Statutory Authority

The Northern Revenue Sharing Trust Account was established by Section 287 of The Northern Municipalities Act. The purpose of the Trust Account is to administer funds appropriated by the legislature for the Northern Saskatchewan Administration District and revenues of a municipal nature generated from within the area of the Northern Saskatchewan Administration District outside of the boundaries of towns and northern villages. The revenues generated are held, invested and disbursed for the benefit of the District and in payment of capital grants under the Northern Capital Grants Program and of expenses incurred in administering the Trust Account. The administration of the Trust Account is conducted in accordance with the provisions of The Northern Municipalities Act and the regulations under it.

2. Significant Accounting Policies

i) Basis of Accounting

The financial statements of the Northern Revenue Sharing Trust Account have been prepared in accordance with accounting policies established by the Department of Urban Affairs for urban municipalities in Saskatchewan and with fixed asset accounting policies established by the Department of Education for school divisions and by the Department of Health for hospitals in Saskatchewan on a basis consistent with that of the previous year.

ii) Change in Accounting Policy

a) Operating Grants — Northern Settlements

In previous years, proceeds from operating grants under the Northern Revenue Sharing Grants Program and from various other provincial and federal grants programs which provided funding assistance to northern municipalities, primarily for job creation projects, were recognized as revenues of the northern settlements in the period in which they were received. The Northern Revenue Sharing Grants Program payments received on behalf of northern settlements in December of each year actually provide funds to cover their operations for the first three months of the following year. In addition, funds are frequently advanced to the trust account on behalf of northern settlements for the purpose of funding job creation programs.

For the current year, the accounting policy for these grants has been changed to defer grant revenues that related to the succeeding period. The Operating Fund Balance Sheet for 1985 reflects those deferred revenues as "Deferred grant revenues" — \$206,999. Accordingly, the 1984 comparative figures have been restated to reflect the change in that accounting policy. Comparative figures affected by that change are "Deferred grant revenues", increased from \$0 to \$156,798, and "Reserve — Future Expenditures of Northern Settlements and Recreational Subdivisions", decreased from \$525,916 to \$369,118 on Statement 1. In addition, the opening balances on Schedule 4 have also been decreased from a total of \$525,916 to \$369,118. The change in accounting policy has no impact on the Statement of Revenue, Expenditure and Fund Balance.

b) Operating Grants — from Consolidated Fund

In previous years as well, advances to the Trust Account from the Consolidated Fund made for the purpose of issuing grants under the Northern Revenue Sharing Grants Program along with the corresponding payment of those grants by the Trust Account were not reflected in the Statement of Revenue, Expenditure and Fund Balance. These amounts have not been reflected in that statement as a revenue item "Advances from Consolidated Fund for Operating Grants" — \$5,447,777 and as an expenditure item "Operating grants" — \$5,447,777. The comparative figures for 1984 have also been adjusted to reflect these items for that year being "Advances from Consolidated Fund for Operating Grants" — \$5,868,914 and "Operating grants" — \$5,868,914.

iii) Northern Revenue Sharing Program Grants

Funds for the purpose of paying operating grants to northern municipalities under the Northern Revenue Sharing Grants Program are advanced to the Trust Account from the Consolidated Fund of the Province. The funds are then disbursed to northern municipalities according to a payment schedule, allocated to the community in the case of northern settlements, and to the Town of Flin Flon, Manitoba under the requirements of The Flin Flon Extension of Boundaries Act, 1952.

iv) Northern Capital Grants Program and Grants for Northern Fire Protection Facilities Program

Funds for the purpose of paying capital grants to northern municipalities under both the Northern Capital Grants Program and the Grants for Northern Fire Protection Facilities Program are also advanced to the Trust Account from the Consolidated Fund of the Province. The funds are then disbursed to northern municipalities, allocated to the community in the case of northern settlements, upon their compliance with the regulations which have been established governing the programs.

Northern Revenue Sharing Trust Account

Notes to Financial Statements — (Continued)

2. Significant Accounting Policies — (Concluded)

v) **Administrative Expenses of the Trust Account**

Expenditures directly incurred for materials, supplies and services utilized in the operation of the Trust Account are paid for out of funds held in the Trust Account. These expenditures are reflected in the financial statements. All other administrative expenses of the Trust Account are borne by the Consolidated Fund and the financial statements of the Trust Account do not include provisions for such expenses. The estimated administrative expenses borne by the Consolidated Fund on behalf of the Trust Account for the year ended December 31, 1985 totalled \$115,200.

vi) **Crown Land Leases Revenue**

Revenues from Crown land leases are recognized when monies are received on behalf of the Trust Account by the Department of Parks and Renewable Resources.

vii) **Crown Land Sales Revenue**

Revenues from Crown land installment sales are recognized when monies are received by the Trust Account.

viii) **Net Tax Levy Revenue**

Taxes are levied annually, covering the period January 1 to December 31. The tax levies shown are net of penalties, cancellations, refunds and discounts.

ix) **Capital Assets Accounting Policy**

Capital assets acquired by the Northern Revenue Sharing Trust Account are recorded at historical cost. As a general rule, capital assets having a cost of \$100 or more are capitalized for accounting purposes. The only exception to that rule would be in the case of office and shop machines and equipment where expenditures of amounts of less than \$100 may be capitalized depending upon the nature of the machines or equipment acquired and in the case of assets previously acquired for the benefit of northern settlements by the Northern Municipal Council which are recorded as identified in Note 7.

Accounting policies of the Department of Urban Affairs for urban municipalities in Saskatchewan and of the Department of Education for school divisions in Saskatchewan direct that no provision for depreciation be made in the financial statements. This is not the case for Saskatchewan hospitals where accounting practice calls for the provision of depreciation in the financial statements. The Capital Fund Balance Sheet therefore reflects the municipal and school capital assets at historical cost while the hospital capital assets are reflected at undepreciated capital cost.

x) **Asset Valuation Allowance**

The Northern Revenue Sharing Trust Account levies, collects and remits municipal taxes on a trust basis on behalf of northern hamlets and school taxes on behalf of the Ile a la Crosse, Northern Lights, and Uranium City School Divisions. In that capacity, the Northern Revenue Sharing Trust Account is merely acting as an agent of the northern hamlet and of the school division. Accounting policies of the Department of Urban Affairs for urban municipalities in Saskatchewan direct that, with respect to the provision of allowances for uncollected taxes, no provision for uncollectable taxes be made for taxes levied on a trust basis. Accordingly, these financial statements provide an allowance for uncollectable taxes only for uncollected municipal taxes levied with respect to the District outside of the boundaries of northern hamlets.

xi) **Reserve: Future Expenditures of Northern Settlements and Recreational Subdivisions**

Under The Northern Municipalities Act, administrative responsibility and trusteeship over funds of northern settlements and recreational subdivisions rests with the Minister of Urban Affairs through the Trust Account. The reserve represents the accumulated excess of municipal revenues over expenditures and is maintained on an individual northern settlement and recreational subdivision basis. Revenues generated within each northern settlement and recreational subdivision can only be applied toward the payment of expenditures for that same community.

xii) **Interest Earnings**

Interest earnings of the fund are allocated on the basis of the monthly balance for each community as accounted for within the reserve for future expenditures of northern settlements and recreational subdivisions along with an allocation to the general balance within the fund balance on the same basis.

Northern Revenue Sharing Trust Account

Notes to Financial Statements — (Continued)

3. Northern Revenue Sharing Program Grants

Grants payable at December 31, 1984	\$	4,467
Funds advanced from the Consolidated Fund 1985/86 appropriation for:		
— Northern Revenue Sharing	\$	5,097,777
— Uranium City (supplementary)		350,000
		5,447,777
Balance of 1984/85 Northern Revenue Sharing appropriation		7,204
		5,454,981
		5,459,448
Grants expenditure in 1985 to:		
Towns		521,406
Northern villages		2,947,092
Northern hamlets		1,019,171
Northern settlements		947,509
Town of Flin Flon, Manitoba		12,599
		5,447,777
Town of Flin Flon (re: 1984)		11,658
		5,459,435
Grants payable at December 31, 1985	\$	13

4. Northern Capital Grants Program and Grants for Northern Fire Protections Facilities Program

Grants payable at December 31, 1984	\$	25,449
Funds advanced from the Consolidated Fund 1985/86 appropriation for:		
— Northern Capital Grants	\$	450,000
— Northern Fire Protection Facilities Grants		40,497
		490,497
		515,946
Contribution to Northern Capital Grants Program from the Trust Account		746,122
		1,262,068
Grants expenditure in 1985 under:		
Northern Capital Grants Program		1,196,122
Grants for Northern Fire Protection Facilities Program		53,424
		1,249,546
Grants payable at December 31, 1985	\$	12,522

5. Contingent Liability

In conjunction with the coming into force of The Northern Municipalities Act on October 1, 1983, a Northern Capital Grants Program was put in place to provide funding assistance to northern municipalities in the construction and acquisition of capital works. The Province established, by regulation, a five-year \$6.4 million program and it is anticipated that approximately \$3.4 million of the program funding will come from the Fund Balance of the Northern Revenue Sharing Trust Account. The actual funding requirement over the life of the program and in any one year is dependent upon the number and dollar value of grant applications received and approved by the Minister of Urban Affairs. As at December 31, 1985, it is not expected that the liability of the Trust Account to provide future funding assistance to northern municipalities will exceed \$2,415,149.

6. Uranium City Reversion of Status

Prior to the reversion in status of the Municipal Corporation of Uranium City and District to the status of a town, and subsequently to a northern settlement, the Municipal Corporation operated under a Charter which allowed the municipal council to also function as the Board of Trustees of the Uranium City School Division. Upon reversion of status to that of a town, the school division operated under an official trustee appointed by an Order of the Minister of Education. At the same time, the Uranium City Hospital came under the administration of Saskatoon City Hospital. Administration of the hospital has now changed and is the responsibility of Careplex Health Management Services. The financial operations of the operating funds of the school and hospital are not consolidated into the statements of the Northern Revenue Sharing Trust Account as separate financial statements are prepared and reported upon in accordance with the requirements of The Education Act and of Health and Welfare Canada. Since ownership of the capital assets of both the school and the hospital still rests with the Trust Account on behalf of the Northern Settlement of Uranium City, those capital assets are reflected in the Capital Fund Balance Sheet of the Trust Account.

Northern Revenue Sharing Trust Account

Notes to Financial Statements — (Concluded)

7. Capital Assets

Assets previously acquired on behalf of northern settlements by the Northern Municipal Council (NMC) are now reflected in the Capital Fund Balance Sheet. These assets were not reflected last year due to the accounting practices of the NMC, along with the absence of necessary documentation, which had prevented identification of physical assets and their cost through the books of account of the NMC. The northern settlements were visited during 1985 at which time a physical inspection, identification and valuation of community assets was made for financial statement purposes. Valuations of the fixed assets inventoried were established through estimates obtained from suppliers, from governmental sources that had contributed to the asset acquisition, or from our own estimates where other information sources were unknown. The total value established for the assets so capitalized is \$969,914.

8. Subsequent Event

On September 24, 1986, an Order in Council being number 976/86 was filed with the Registrar of Regulations establishing the Uranium City School Division No. 115. As a consequence of that Order, all assets and liabilities of the Trust Account that were accumulated for the purpose of delivering the educational program within the area governed by the former Municipal Corporation of Uranium City and District, including all instructional and non-instructional properties, became vested in the School Division. In the fiscal year 1986, capital assets having a book value of \$7,446,331 will be removed from the Capital Fund Balance Sheet. That amount, less any consideration which may be received and which has, as yet, not been determined, will correspondingly reduce the Capital Fund Balance Sheet item "Equity in Capital Fund Assets".

Schedule of Taxes Receivable and Asset Valuation Allowance

Schedule 1

As at December 31

	1985		1984	
	Taxes Receivable	Asset Valuation Allowance	Taxes Receivable	Asset Valuation Allowance
General Municipal				
Northern Settlements				
Brabant Lake	\$ 248	\$ 87	\$	\$
Camsell Portage	797	669	601	525
*Dore Lake .....	.....	.....	2,354	1,972
Kinoosao	1,128	644	880	505
Sled Lake	928	731	663	528
Stony Rapids	1,193	739	1,623	765
Sturgeon Landing	237	103	31	11
Uranium City	146,021	130,660	198,757	198,532
Wollaston Lake	7,990	6,645	6,706	5,580
	<u>158,542</u>	<u>140,278</u>	<u>211,615</u>	<u>208,418</u>
Recreational Subdivisions				
East Trout Lake	492	172	110	39
Jan Lake	1,311	781	722	528
Keeley Lake	13	8	6	2
Lac La Plonge	486	290	301	194
Little Amyot Lake	150	103	77	27
Little Bear Lake	559	274	335	203
Lower Fishing Lake	604	452	438	334
Michel Point	287	117	245	151
Ramsey Bay	1,795	1,131	1,348	793
Sturgeon Weir	434	215	250	160
Tower Beach	103	61	367	134
Tyrrell Lake	63	22	98	49
Waden Bay	347	166	295	194
Whelan Bay	758	339	628	372
	<u>7,402</u>	<u>4,131</u>	<u>5,220</u>	<u>3,180</u>
Northern Dispositions	<u>22,990</u>	<u>7,983</u>	<u>9,978</u>	<u>6,795</u>
Mines	<u>2,425</u>	<u>1,193</u>	<u>915</u>	<u>566</u>
Total General Municipal (to Statement 1)	<u>\$ 191,359</u>	<u>\$ 153,585</u>	<u>\$ 227,728</u>	<u>\$ 218,959</u>

* During 1985, this community was changed in status to a Northern Hamlet.

Northern Revenue Sharing Trust Account

Schedule 1 — Concluded

Schedule of Taxes Receivable and Asset Valuation Allowance — (Concluded)

		<i>Taxes Receivable 1985</i>	<i>Taxes Receivable 1984</i>
Northern Hamlets			
Cole Bay	\$	1,225	\$ 1,529
Deschambault Lake		17,556	14,406
Dore Lake		1,035	.....
Jans Bay		665	417
Michel Village		1,259	786
Missinipe		2,525	1,372
Patuanak		56	.....
Pelican Narrows		13,996	18,131
St. George's Hill		187	.....
Southend		108	382
Stanley Mission		185	1,199
Timber Bay		572	254
Turnor Lake		563	597
Weyakwin		2,627	1,936
Total Northern Hamlets (to Statement 1)	\$	42,559	\$ 41,009
Schools			
Northern Lights School Division	\$	173,814	\$ 146,000
Uranium City School Division		74,346	.....
Ile a la Crosse School Division		8,321	.....
Total Schools (to Statement 1)	\$	256,481	\$ 146,000

Capital Fund

Schedule of Capital Assets

For the Year Ended December 31, 1985

Schedule 2

	<i>Balance Dec. 31/84</i>	<i>Acquired From Operating Fund</i>	<i>Disposal</i>	<i>Other</i>	<i>Balance Dec. 31/85</i>
Administration — land					
buildings and equipment .. \$	112,171	\$ 17,299	\$ (18,284)	\$ 179,058	\$ 290,244
Fire Protection	97,682	3,833	.....	.....	101,515
Heliport	5,090	.....	.....	.....	5,090
Public Works	858,519	23,770	.....	193,182	1,075,471
Sanitation grounds	4,721	.....	.....	.....	4,721
Community service					
facilities	2,077,961	201,694	.....	596,911	2,876,566
RCMP building and					
equipment	636,374	.....	.....	.....	636,374
Water and sewer facilities ...	2,553,561	.....	.....	763	2,554,324
Public housing	4,396	.....	.....	.....	4,396
	6,350,475	246,596	(18,284)	969,914	7,548,701
Schools — land, buildings					
and equipment	7,446,331	.....	.....	.....	7,446,331
Hospital — land, buildings					
and equipment	1,531,609	.....	.....	20,066	1,551,675
Less accumulated depreciation	1,046,607	.....	.....	48,529	1,095,136
	485,002	.....	.....	(28,463)	456,539
Total (to Statement 3)	\$ 14,281,808	\$ 246,596	\$ (18,284)	\$ 941,451	\$ 15,451,571

Northern Revenue Sharing Trust Account

Capital Fund

Schedule of Reserve for Future Capital Expenditure

As at December 31

Schedule 3

	1985	1984
Northern Settlements		
Brabant Lake	\$ 4,386	\$ 4,089
Camsell Portage	2,619	2,451
Kinoosao	3,741	3,502
Sled Lake	505	473
Stony Rapids	6,556	3,390
Wollaston Lake	6,697	6,268
	<u>24,504</u>	<u>20,173</u>
Northern Hamlets		
Cole Bay	240	4,210
Deschambault Lake	17	308
Dore Lake	36	526
Jans Bay	237	6,424
Michel Village	107	1,853
Missinipe	4,969	29,442
Patuanak	180	3,163
Pelican Narrows	269	4,724
Southend	5	85
Stanley Mission	33	584
St. George's Hill	399	7,003
Timber Bay	76	1,333
Turnor Lake	7	2
Weyakwin	555	9,746
	<u>7,130</u>	<u>69,403</u>
Northern Villages and Towns		
Denare Beach	3,698	47,519
Buffalo Narrows	—	7
Green Lake	—	1
Beauval	—	2
Ile a la Crosse	—	2
La Loche	—	6
La Ronge	—	1
Sandy Bay	3	—
	<u>3,701</u>	<u>47,538</u>
Total Reserve (to Statement 3)	<u>\$ 35,335</u>	<u>\$ 137,114</u>

Northern Revenue Sharing Trust Account

Operating Fund

Schedule of Continuity of Reserve for Future Expenditures of Northern Settlements and Recreational Subdivisions For the Year December 31, 1985

Schedule 4

	Community Balance 31/12/84	1985 Revenue				1985 Expenditures						Water and Sewer Expense	Community Balance 31/12/85	
		Tax Levies	Lease Fees	Interest Earned	Water and Sewer Fees	Unconditional Operating Grants	Conditional Operating Grants	Capital Grants	Other	Transfers to Allowances	Services Paid			Capital Expenditures	Transferred to Hamlet
Northern Settlements														
Brabant Lake	\$ 40,494	\$ 2,203	\$ 110	\$ 4,576	.....	\$ 73,722	\$ 1,132	\$ 8,043	\$ 604	\$ 87	\$ 45,297	\$ 3,996	\$	\$ 81,504
Camsell	39,234	741	.....	3,290	.....	41,927	10,855	.....	.....	144	44,912	603	.....	50,388
Deschambe	11,161	.....	.....	1,372	.....	40,773	.....	.....	1,200	.....	39,250	.....	.....	15,256
Dore Lake	70,221	.....	.....	913	.....	9,895	.....	.....	.....	.....	39,415	.....	75,850	.....
Garson Lake	5,434	.....	.....	1,321	.....	21,931	.....	.....	892	.....	39,415	3,780	.....	27,118
Kinooosao	86,588	1,920	372	5,157	.....	41,092	13,369	6,596	.....	388	44,528	7,000	.....	103,198
Sled Lake	25,031	707	.....	2,112	.....	39,503	10,168	.....	.....	203	55,911	.....	.....	15,893
Stony Rapids	103,343	4,168	1,102	7,043	.....	102,194	37,248	89,990	2,055	166	69,512	176,441	.....	101,024
Surgeon .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Landing	56,279	1,086	.....	3,929	.....	40,188	26,352	6,598	.....	92	65,645	7,433	.....	61,262
Uranium City	(305,698)	24,532	764	28,137	24,113	418,020	1,800	40,505	40,505	(56,474)	269,464	1,471	136,389	(118,677)
Wollaston	146,447	3,760	841	10,911	.....	99,460	17,168	52,981	4,050	1,610	138,218	35,464	.....	160,326
	278,534	39,117	3,239	68,761	24,113	947,509	140,043	164,208	49,306	(53,784)	817,331	241,752	75,850	497,292
Recreational Subdivisions														
East Trout Lake ..	7,767	1,902	.....	543	.....	.....	.....	.....	.....	131	218	.....	.....	9,863
Jan Lake	11,361	3,090	.....	715	.....	.....	.....	.....	.....	297	1,418	.....	.....	13,451
Keeley Lake	1,012	77	.....	70	.....	.....	.....	.....	.....	6	.....	.....	.....	1,153
Lac La Plonge ..	5,483	1,799	.....	357	.....	.....	.....	.....	.....	123	1,376	.....	.....	6,140
Little Amyot .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lake	2,055	443	.....	140	.....	.....	.....	.....	.....	76	5	.....	.....	2,557
Little Bear Lake ..	18,159	3,773	.....	1,230	.....	.....	.....	.....	.....	71	323	.....	.....	22,768
Lower Fishing .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lake	12,903	2,287	.....	816	.....	.....	.....	.....	.....	118	3,529	1,011	.....	11,348
Michel Point	(454)	1,382	.....	.....	.....	.....	.....	.....	.....	80	1,339	.....	.....	(491)
Ramsay Bay	15,284	6,444	.....	1,045	.....	.....	.....	.....	.....	341	.....	.....	.....	22,357
Surgeon Weir	3,913	515	.....	258	.....	.....	.....	.....	.....	55	75	.....	.....	4,631
Tower Beach	29	457	.....	.....	.....	.....	.....	.....	.....	(73)	578	.....	.....	(19)
Tyrell Lake	1,193	404	.....	76	.....	.....	.....	.....	.....	(27)	57	.....	.....	1,643
Warden Bay	2,194	2,528	.....	136	.....	.....	.....	.....	.....	(30)	1,505	.....	.....	3,983
Whehan Bay	9,685	4,877	.....	442	.....	.....	.....	.....	.....	(33)	4,810	3,833	.....	6,394
	90,584	29,978	.....	5,828	.....	.....	.....	.....	.....	1,135	15,233	4,844	.....	105,178
Reserve Balance (to Statement 1)	\$ 369,118	\$ 69,095	\$ 3,239	\$ 74,589	\$ 24,113	\$ 947,509	\$ 140,043	\$ 164,208	\$ 49,306	\$ (52,649)	\$ 832,564	\$ 246,596	\$ 75,850	\$ 602,470

Northern Revenue Sharing Trust Account

Capital Fund

Schedule of Equity in Capital Fund Assets

As at December 31

Schedule 5

	1985			1984	
	Equity Represented by				
	Due from Operating Fund	Fixed Assets	Total Equity	Total Equity	
Northern Settlements					
Brabant Lake	\$ 1,500	\$ 94,228	\$ 95,728	\$ 26,641	
Camsell Portage		32,854	32,854	1,151	
Descharme Lake		10,720	10,720	10,420	
Garson Lake		13,780	13,780	2,000	
Kinoosao		97,500	97,500		
Sled Lake		179,213	179,213	18,920	
Stony Rapids		465,890	465,890	30,519	
Sturgeon Landing		108,683	108,683		
Uranium City	613,640	14,145,981	14,759,621	14,782,747	
Wollaston Lake		297,878	297,878	900	
	615,140	15,446,727	16,061,867	14,873,298	
Recreational Subdivisions					
Lower Fishing Lake		1,011	1,011		
Whelan Bay		3,833	3,833		
		4,844	4,844		
General	15,471		15,471	16,769	
Total Equity (to Statement 3)	\$ 630,611	\$ 15,451,571	\$ 16,082,182	\$ 14,890,067	

Saskatchewan Archives Board

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Archives Board as at March 31, 1986 and the statements of revenue, expenditure and balance of fund and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Archives Board as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 16, 1986

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As At March 31

Statement 1

	1986	1985
Current assets:		
Funds held by University of Saskatchewan (Note 1(b))	\$ 124,000	\$ 122,672
Accounts receivable	3,870	18,285
Interest receivable	486	486
	<u>128,356</u>	<u>141,443</u>
Fixed Assets:		
Equipment (Note 1(c))	178,295	157,661
	<u>\$ 306,651</u>	<u>\$ 299,104</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 18,936	\$ 15,801
Deferred revenue	18,958	.....
	<u>37,894</u>	<u>15,801</u>
Equity:		
Equity in equipment (Note 1(c))	178,295	157,661
Balance of fund (Statement 2) (Note 1(b))	90,462	125,642
	<u>268,757</u>	<u>283,303</u>
	<u>\$ 306,651</u>	<u>\$ 299,104</u>

(See accompanying notes to financial statements)

Saskatchewan Archives Board

Statement of Revenue, Expenditure and Balance of Fund For the Year Ended March 31

Statement 2

	1986	1985
Revenue:		
Grants — Province of Saskatchewan,		
Advanced Education and Manpower	\$ 852,910	\$ 852,910
Culture and Recreation	72,883	8,517
Education	10,000	.....
Employment Development Agency	20,879	.....
	956,672	861,427
Services	45,299	.....
Photocopy sales	33,567	43,696
Magazine sales	13,915	7,331
Miscellaneous	10,060	8,935
	1,059,513	921,389
Expenditures:		
Salaries and benefits	834,055	744,248
Administrative services	138,290	91,143
Printing and postage	93,773	42,722
Equipment	20,634	7,647
Materials and supplies	7,941	5,291
	1,094,693	891,051
Excess of revenue over expenditure (expenditure over revenue)	(35,180)	30,338
Balance of fund, beginning of year	125,642	95,304
Balance of fund, end of year	\$ 90,462	\$ 125,642

(See accompanying notes to financial statements)

Statement of Changes in Financial Position For the Year Ended March 31

Statement 3

	1986	1985
Cash provided by (used in) operating activities		
Excess of revenue over expenditure (expenditure over revenue)	\$ (35,180)	\$ 30,338
Net change in non-cash working capital balances related to operations ..	36,508	(26,450)
Cash provided by operating activities	1,328	3,888
Net increase (decrease) in funds held by University of Saskatchewan during the year	1,328	3,888
Funds held by University of Saskatchewan at beginning of year	122,672	118,784
Funds held by University of Saskatchewan at end of year	\$ 124,000	\$ 122,672

(See accompanying notes to financial statements)

Saskatchewan Archives Board

Notes to Financial Statements

March 31, 1986

1. Accounting Policies

These financial statements are prepared in accordance with the following accounting policies which are considered appropriate for organizations of this type.

(a) Accrual Accounting

The financial statements are prepared in accordance with the accrual basis of accounting.

(b) Fund accounting

The accounts of the Board are maintained in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources are observed. Under the Board's fund accounting, resources for various purposes are classified for internal accounting purposes into five funds that are in accordance with activities or objectives specified. The financial statements are a consolidation of the five funds including the general, magazine, photocopy, trust grants in advance and archives trust all of which are administered by the University of Saskatchewan.

(c) Fixed assets

The Saskatchewan Archives Board follows the policy of charging to current year's expenditure the full cost of all fixed assets purchased during the year. Equipment costing in excess of \$1,000 purchased after March 31, 1975 is recorded at cost on the balance sheet, with a corresponding figure recorded as "Equity in Equipment." No depreciation is recorded.

All materials used to preserve the archival collection are disbursed as purchased.

2. Authority

The Saskatchewan Archives Board operates under the authority of The Archives Act for the purpose of acquiring and preserving historical documents relating to the history of Saskatchewan and to provide these documents to the public for research purposes.

3. Costs Borne by Other Agencies

Expenditures for administrative services are provided by the University of Saskatchewan and the University of Regina.

In addition, as at December 1, 1983 the Department of Supply and Services entered into a five year lease agreement for office space on behalf of the Board. The costs of this agreement are being absorbed by the Department of Supply and Services.

Accordingly, no provision for the aforementioned costs is included in these financial statements.

4. Permanent Collection

Pursuant to Section 12 of The Archives Act the "Saskatchewan Archives Board may acquire by gift, devise or in any other manner and place in the archives printed documents, manuscripts, records, private papers and any other material, to whomsoever belonging, having a bearing on the history of Saskatchewan." The Archives Board has placed a nil value on the archival material for financial statement purposes.

The Saskatchewan Research Council Employees' Pension Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of The Saskatchewan Research Council Employees' Pension Fund as at December 31, 1985 and the statement of fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
May 9, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at December 31

Statement 1

	1985	1984
Assets		
Cash	\$ 591	\$ 3,504
Contributions and other receivables	108,647	84,488
Investments (Note 4)	8,906,541	6,400,694
	<u>\$ 9,015,779</u>	<u>\$ 6,488,686</u>
Liabilities and Fund Balance		
Liabilities:		
Pensions and other payables	\$ 183	\$ 932
Fund balance (Statement 2)	9,015,596	6,487,754
	<u>\$ 9,015,779</u>	<u>\$ 6,488,686</u>

(See accompanying notes to the financial statements)

Statement of Fund Balance

Year Ended December 31

Statement 2

	1985	1984
Fund balance, beginning of year	\$ 6,487,754	\$ 5,179,390
Add:		
Contributions		
— Employer	477,351	424,194
— Employee	446,203	340,510
Increase in net asset value of investments	1,688,469	477,882
Transfer of assets into Fund (Note 5)	34,632	199,005
	<u>2,646,655</u>	<u>1,441,591</u>
Deduct:		
Refunds upon termination	47,080	74,424
Retirement benefits	71,733	58,803
	<u>118,813</u>	<u>133,227</u>
Fund balance, end of year — to Statement 1	<u>\$9,015,596</u>	<u>\$6,487,754</u>

(See accompanying notes to the financial statements)

The Saskatchewan Research Council Employees' Pension Fund

Notes to the Financial Statements

December 31, 1985

1. Status of Fund

The Fund was created to account for the transactions of The Saskatchewan Research Council Employees' Pension Plan which was established with an effective date of May 1, 1974. The Plan is a defined benefit final average pension plan funded by specified monthly employee contributions for past and/or current service and by the Council's regular contributions, as recommended by the actuary of the Plan. The Plan also permits the Fund to accept voluntary contributions from employees.

2. Significant Accounting Policies

a) Investments

Investments of the Fund are comprised of shares in three mutual funds managed by the Fund's investment advisor and shares in a Pooled Diversifund. Two of the mutual funds, the "Pooled Pension Trust" and the "U.S. Pooled Pension Trust" are equity funds, while the "Bond Fund" is a fixed income fund. The "Pooled Diversifund" is a combined growth — equity fund.

Contributions paid into the Pension Fund are used to purchase shares in the three mutual funds managed by the investment agency. No further shares will be purchased in the "Pooled Diversifund", which was received when a number of employees transferred to The Saskatchewan Research Council Employees' Pension Plan from a previous Plan administered by The Mutual Life Assurance Company of Canada.

Additional shares are acquired when periodic distributions are made by the funds. Cash dividends are not paid by the funds; however, investors can realize changes in the underlying share values by redeeming shares of the funds.

The shares in the four funds are recorded in the accounts at their net asset value per share. Net asset value per share is the market value of the investments in the particular fund's portfolio divided by the total number of outstanding shares in that fund. With respect to the U.S. Pooled Pension Trust, the market values of investments have been translated into Canadian dollars at the rate of exchange prevailing at year end. The Pension Fund follows the practice of recording the adjustment necessary to record its shares in the funds at net asset value as an increase or decrease in the Fund balance.

b) Administration Costs

Expenses incurred in the operation of the Fund are paid by the Council. Increases (decreases) in net asset value are shown net of management fees charged by the investment agency.

3. Actuarial Valuation

An actuarial valuation was performed as at December 31, 1983 on The Saskatchewan Research Council Employees' Pension Plan. The actuary stated that using the accrued benefit actuarial cost method, the present value of accumulated benefits resulting from services provided to the valuation date was \$4,574,382. The actuary also stated that the value of Pension Fund assets was \$4,889,526 based on averaged market values. The resulting net actuarial surplus was stated to be \$315,144. The report also recommended that the employer contribute at least 95.9% of employee contributions to meet the cost of benefits to be earned for service after valuation date.

The next actuarial valuation is required to be performed no later than as at December 31, 1986.

4. Investments

	1985				1984	
	<i>Pooled Diversifund</i>	<i>Bond Fund</i>	<i>Pooled Pension Trust</i>	<i>U.S. Pooled Pension Trust</i>	<i>Total</i>	<i>Total</i>
Cash purchases . . .	\$ 172,212	\$ 1,584,874	\$ 2,370,116	\$ 705,600	\$ 4,832,802	\$ 4,015,424
Accumulated increase in net asset value	79,953	1,482,278	2,227,739	283,769	4,073,739	2,385,270
Net asset value	<u>\$ 252,165</u>	<u>\$ 3,067,152</u>	<u>\$ 4,597,855</u>	<u>\$ 989,369</u>	<u>\$ 8,906,541</u>	<u>\$ 6,400,694</u>

5. Transfer of Assets into Fund

This represents the amounts received upon the transfer of employees from former pension plans to the current Pension Plan. The actuary had taken the 1984 transfer into account in the valuation described in Note 3.

Saskatchewan Sheep and Wool Marketing Commission

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Sheep and Wool Marketing Commission as at December 31, 1985 and the statements of revenue, expenditure and retained earnings and changes in cash resources for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
February 14, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at December 31

Statement 1

Assets

Current

	1985	1984
Cash	\$ 10,571	\$ 17,440
Term deposit	25,000	30,000
Accounts receivable	382	1,496
Inventories	6,716	7,692
Prepaid expense	1,480	1,312
	<u>44,149</u>	<u>57,940</u>

Furniture and equipment	7,577	9,060
	<u>\$ 51,726</u>	<u>\$ 67,000</u>

Liabilities and Equity

Current

Accounts payable	\$ 2,494	\$ 2,407
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Equity

Retained earnings — Statement 2	41,655	55,533
Fixed assets	7,577	9,060
	<u>49,232</u>	<u>64,593</u>

(See accompanying notes)	<u>\$ 51,726</u>	<u>\$ 67,000</u>
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Statement of Revenue, Expenditure and Retained Earnings

For the Year Ended December 31

Statement 2

Revenue

Province of Saskatchewan grant		
— Administration	\$ 47,500	\$ 47,500
Check-off fees	21,092	24,970
Sale of sheepman's supplies	11,436	12,580
Other	5,520	10,323
Wool handling commission (net of expenses)	117	746
	<u>85,665</u>	<u>96,119</u>

Expenditure

Salaries and benefits	59,451	60,835
General	31,505	33,003
Cost of sales — sheepman's supplies (Note 3)	8,587	9,202
Other .....	.....	271
	<u>99,543</u>	<u>103,311</u>

Excess of expenditure over revenue	(13,878)	(7,192)
Retained earnings, beginning of year	55,533	62,725
Retained earnings, end of year — Statement 1	<u>\$ 41,655</u>	<u>\$ 55,533</u>

(See accompanying notes)

Saskatchewan Sheep and Wool Marketing Commission

Statement of Changes in Cash Resources

Year Ended December 31

Statement 3

	1985	1984
Cash provided by (used in):		
Operating Activities		
Excess of expenditures over revenue	\$ (13,878)	\$ (7,192)
Net change in non-cash working capital items:		
Decrease in accounts receivable	1,114	11,056
Decrease in inventory	976	1,682
Decrease (increase) in prepaid expenses	(168)	357
Increase in accounts payable	87	325
	<u>2,009</u>	<u>13,420</u>
Net increase (decrease) in cash and term deposits	\$ (11,869)	\$ 6,228
Cash and term deposits, beginning of year	47,440	41,212
Cash and term deposits, end of year	<u>\$ 35,571</u>	<u>\$ 47,440</u>

(See accompanying notes)

Notes to Financial Statements

December 31, 1985

1. Accounting Policies

- i) Fixed asset purchases are charged as an expense against operations in the year of purchase and are therefore not depreciated. To maintain accountability for fixed assets it is necessary to record them as a balance sheet asset with a corresponding offset to the equity account.
- ii) Inventory is valued at the lower of cost and net realizable value.

2. Status of the Commission

The Commission was established by Order-in-Council 1534/74 and is continued under Section 38 of the Natural Products Marketing Act. The Commission was created to provide for the promotion, control, and regulation of the marketing of sheep and wool within the Province of Saskatchewan.

3. Cost of Sales — Sheepman's Supplies

	1985	1984
Beginning inventory, January 1	\$ 7,692	\$ 9,374
Purchases for the year	7,611	7,520
	<u>15,303</u>	<u>16,894</u>
Less: Ending inventory, December 31	6,716	7,692
Cost of sales	<u>\$ 8,587</u>	<u>\$ 9,202</u>

4. Commissioners' and Managers' Remuneration

During 1985 the Commissioners of the Commission received \$4,975 in remuneration (1984 — \$3,910). Management of the Commission in 1985 received \$32,000 in remuneration (1984 — \$31,500).

The Saskatchewan Vegetable Marketing Commission

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of The Saskatchewan Vegetable Marketing Commission as at June 30, 1985 and the statement of revenue, expenditure and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of The Saskatchewan Vegetable Marketing Commission as at June 30, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
January 22, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at June 30, 1985

Statement 1

	1985	1984
Assets		
Current		
Cash	\$	\$ 2,882
Accounts Receivable	1,900	.....
Prepaid postage	39	.....
Prepaid rent	300	.....
	2,239	2,882
Furniture and equipment (Note 1)	2,784	2,784
	<u>\$ 5,023</u>	<u>\$ 5,666</u>
Liabilities and Equity		
Bank overdraft	\$ 71	\$
Accounts payable — Commissioner's travel, fees and other	2,728	4,821
Deferred revenue .....	.....	3,564
	2,799	8,385
Equity		
Deficit (Statement 2)	(560)	(5,503)
Furniture and equipment	2,784	2,784
	2,224	(2,719)
	<u>\$ 5,023</u>	<u>\$ 5,666</u>

(See accompanying notes)

The Saskatchewan Vegetable Marketing Commission

Statement of Revenue, Expenditure and Surplus

For the Year Ended June 30

Statement 2

	1985	1984
Revenue		
Grants — Marketing and Economics Branch (Note 3)	\$ 14,250	\$ 15,000
— Regional Industrial Expansion	1,900	2,430
Information levy (net rebates) .....	.....	5,717
Registration fees .....	.....	560
Miscellaneous	128	10
	<u>16,278</u>	<u>23,717</u>
Expenditure		
Consulting fees	100	8,519
Administration	6,886	7,166
Research	1,900	3,810
Travel	779	2,990
Commissioners' fees	690	1,260
Salaries and benefits	980	949
	<u>11,335</u>	<u>24,694</u>
Excess revenue over expenditure	4,943	(977)
(Deficit) beginning of year	(5,503)	(4,526)
(Deficit) end of year — Statement 1	<u>\$ (560)</u>	<u>\$ (5,503)</u>

(See accompanying notes)

Notes to Financial Statements

June 30, 1985

1. Significant Accounting Policies

Fixed asset purchases are charged as an expense against operations in the year of purchase and are therefore not depreciated. To maintain accountability for fixed assets it is necessary to record them as a balance sheet asset with a corresponding offset to the equity account "Equity in Furniture and Equipment".

2. Incorporation

The Saskatchewan Vegetable Marketing Commission was established by Order-in-Council #138/78, January 24, 1978 under authority of section 22 of The Natural Products Marketing Act, 1972.

3. Grant — Marketing and Economics Branch

An administration grant of \$14,250 from the Marketing and Economics Branch of the Department of Agriculture for the 1984/85 fiscal year has been issued to the Commission.

South Saskatchewan River Irrigation District No. 1

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the South Saskatchewan River Irrigation District No. 1 as at December 31, 1985 and the statements of income, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the South Saskatchewan River Irrigation District No. 1 as at December 31, 1985 and the results of its operations and changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
January 31, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

December 31, 1985

(with comparative figures for 1984)

Statement 1

	1985	1984
Assets		
Current		
Cash	\$ 360,425	\$ 256,812
Accounts receivable	292,828	324,799
Deposit on trucks (Note 9)	14,360	.....
Accrued interest receivable	3,480	3,105
Prepaid expense	761	769
	<u>671,854</u>	<u>585,485</u>
Other designated assets:		
Irrigation system replacement reserve (Note 4)	788,746	706,984
Equipment replacement reserve (Note 5)	163,287	130,552
Fixed assets (Note 6)	122,987	146,986
	<u>\$ 1,746,874</u>	<u>\$ 1,570,007</u>
Liabilities and Equity		
Liabilities		
Accounts payable and accrued liabilities	\$ 4,038	\$ 7,490
Equity		
Contributed surplus	143,400	143,400
Retained earnings (Statement 3)	1,599,436	1,419,117
Total equity	<u>1,742,836</u>	<u>1,562,517</u>
	<u>\$ 1,746,874</u>	<u>\$ 1,570,007</u>

(See accompanying notes to the financial statements)

South Saskatchewan River Irrigation District No. 1

Statement of Income

Year Ended December 31, 1985

(with comparative figures for 1984)

Statement 2

	1985	1984
Revenue		
Province of Saskatchewan grants	\$ 27,639	\$ 189,653
Water rate charges and penalties	435,345	413,700
Other revenue	128,423	200,740
Custom work	82,858	91,287
Total revenue	674,265	895,380
Expenses		
Salaries and employee benefits	288,514	319,241
Pumping cost — power	247,941	312,322
Operations and maintenance	50,589	68,165
Depreciation	22,039	22,559
Professional services	2,685	2,520
Fees and licences	4,726	5,883
Travel and sustenance	3,282	2,547
Insurance	2,923	2,862
Provision for bad debts	1,076	6,112
Other	12,642	15,119
	\$ 636,417	\$ 757,330
Income from operations	37,848	138,050
Interest income	129,221	116,361
Gain on sale of fixed assets	13,250	.....
Net income for year	\$ 180,319	\$ 254,411

(See accompanying notes to the financial statements)

Statement of Retained Earnings

Year Ended December 31, 1985

(with comparative figures for 1984)

Statement 3

	1985	1984
Retained Earnings		
Unappropriated		
Balance, beginning of year	\$ 581,581	\$ 497,200
Add: Net income (Statement 2)	180,319	254,411
	761,900	751,611
Deduct: Transfers to — Reserve for Irrigation System Replacement	(81,762)	(139,881)
— Reserve for Equipment Replacement	(32,735)	(30,149)
Balance, end of year	647,403	581,581
Appropriated		
1. Reserve for Irrigation System Replacement		
Balance, beginning of year	706,984	567,103
Add: Transfer from unappropriated retained earnings (Note 4)	81,762	139,881
Balance, end of year	788,746	706,984
2. Reserve for Equipment Replacement		
Balance, beginning of year	130,552	100,403
Add: Transfer from unappropriated retained earnings (Note 5)	32,735	30,149
Balance, end of year	163,287	130,552
Total retained earnings, end of year (Statement 1)	\$ 1,599,436	\$ 1,419,117

(See accompanying notes to the financial statements)

South Saskatchewan River Irrigation District No. 1

Statement of Changes in Financial Position

Year Ended December 31, 1985

(with comparative figures for 1984)

Statement 4

	1985	1984
Source of Funds		
Operations		
Net income	\$ 180,319	\$ 254,411
Items not affecting funds		
— depreciation	22,039	22,559
— gain on sale of fixed assets	(13,250)	.....
	189,108	276,970
Proceeds from sale of fixed assets	15,210	.....
	204,318	276,970
Application of funds		
Purchase of fixed assets	.....	273
Increase in other designated assets	114,497	170,030
	114,497	170,303
Increase in working capital	89,821	106,667
Working capital, beginning of year	577,995	471,328
Working capital, end of year	\$ 667,816	\$ 577,995
Represented by:		
Current assets	\$ 671,854	\$ 585,485
Current liabilities	4,038	7,490
	\$ 667,816	\$ 577,995

(See accompanying notes to the financial statements)

Notes to Financial Statements

December 31, 1985

1. Accounting policies

- Fixed assets are recorded at cost, except for assets sold to South Saskatchewan River Irrigation District No. 1 by Department of Agriculture for the sum of \$1.00. These assets are valued at estimated net book value at the time of the transfer, April 1, 1976, with a corresponding amount reflected in contributed surplus.
- Depreciation is calculated on a straight line basis with annual rates determined by expected yearly use. A maximum of fifteen years was used to depreciate assets purchased from Saskatchewan Agriculture.
- Long-term and short-term investments are stated at cost which approximate the market value.
- In accordance with established government practice, the District has not been charged with occupancy costs and no provision for such costs is reflected in these financial statements. These costs together with certain salary costs are absorbed by various departmental appropriations.

2. Establishment of the District

In accordance with Section 3 of The South Saskatchewan River Irrigation Act, 1978, the District was established by Order-in-Council 1858/66 dated September 23, 1966. Effective April 1, 1976 the Board of Trustees of the District assumed responsibility from the Department of Agriculture for the administration, operation and maintenance of the South Saskatchewan River Irrigation District No. 1.

In accordance with Order-in-Council 1169/82, the 1982 Board, which consisted of three nominated and two appointed trustees, was terminated, effective December 31, 1982. Elections were held prior to December 31, 1982 and a five member Board was elected to serve on and from January 1, 1983.

South Saskatchewan River Irrigation District No. 1

Notes to Financial Statements — (Concluded)

3. Retained Earnings

The District has adopted the policy of appropriating retained earnings to establish reserves as follows:

(a) Reserve for Irrigation System Replacement

Memorandum of Understanding, January 1, 1980 required the appropriation yearly of \$1.00 per base acre plus Province of Saskatchewan grants specifically designed for capital replacement plus interest earned. With the termination of this Memorandum of Understanding effective December 31, 1984, only interest earned is appropriated yearly as described in Note 4.

(b) Reserve for Equipment Replacement

The amount appropriated yearly is based on depreciation estimates plus interest earned as described in Note 5.

4. Reserve for Irrigation System Replacement

The amount appropriated in the current year is \$81,762 (1984 — \$139,881 — Note 3) which represents interest earned by the designated assets, with the total appropriation amounting to \$788,746 (1984 — \$706,984) as at December 31, 1985.

The following assets have been designated as relating to the Reserve for Irrigation System Replacement:

	1985	1984
Cash	\$ 94,899	\$ 1,764
Short-Term Investment	680,373	296,503
Long-Term Certificates of Deposit .....	.....	384,811
Accrued Interest Receivable	13,474	23,906
	<u>\$ 788,746</u>	<u>\$ 706,984</u>

5. Reserve for Equipment Replacement

The amount appropriated in the current year is \$32,735 (of which \$22,039 is depreciation estimates, and \$10,696 is interest) (1984 — \$30,149) with the total appropriated amounting to \$163,287 (1984 — \$130,522) as at December 31, 1985.

The following assets have been designated as relating to the Reserve for Equipment Replacement:

	1985	1984
Cash	\$ 161,818	\$ 129,170
Accrued interest receivable	1,469	1,382
	<u>\$ 163,287</u>	<u>\$ 130,552</u>

6. Fixed assets

	Cost	Accumulated Depreciation	Book Value Dec. 31, 1985	Book Value Dec. 31, 1984
Operations and maintenance equipment	\$ 251,436	\$ 134,426	\$ 117,010	\$ 140,269
Small tools	3,771	2,945	826	1,031
Radio equipment	5,445	4,088	1,357	1,462
Metering equipment	4,323	3,410	913	966
Office equipment	4,667	1,786	2,881	3,258
	<u>\$ 269,642</u>	<u>\$ 146,655</u>	<u>\$ 122,987</u>	<u>\$ 146,986</u>

7. Capital Costs of Irrigation Systems and Works

With the transfer of the management of the District to the Board of Trustees effective April 1, 1976, fixed assets used in the operations of the District were sold to the District by the Department of Agriculture (Note 1a). The capital costs of the irrigation systems and works in place at the time of transfer have not been included in the assets of the District. These costs were originally reported in the Public Accounts of the Province of Saskatchewan in the Department of Agriculture.

8. Grant Revenue

According to the January 1, 1980 Memorandum of Understanding, between the Department of Agriculture (which has been assumed by the Saskatchewan Water Corporation) and the South Saskatchewan River Irrigation District No. 1 Board, the following was agreed upon:

- (a) The Saskatchewan Water Corporation would provide for the difference in gross revenue from operation and maintenance on the developed acreage for irrigation and the 42,000 acre base. In 1985 this grant amounted to \$27,639 (1984 — \$29,486).

9. Commitments

The District entered into an agreement with a local automotive dealership to purchase a number of trucks in 1986 amounting to \$41,425. An amount of \$14,360 has been deposited by the District by way of trade in of trucks leaving the amount outstanding of \$27,065 to be paid on delivery of the new trucks.

Special Projects Fund

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Special Projects Fund as at March 31, 1986 and the statement of expenditure and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
September 4, 1986

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement of Financial Position

As at March 31

Statement 1

	1986	1985
Due from the Consolidated Fund (Note 3)	\$ 1,026,243	\$ 3,591,545
Fund balance	\$ 1,026,243	\$ 3,591,545

(See accompanying notes to the financial statements)

Statement of Expenditure and Fund Balance

Year Ended March 31

Statement 2

	1986	1985
Expenditure (Note 1)		
Department of Advanced Education and Manpower	\$ —	\$ 8,300,000
Department of Health	—	14,000,000
Department of Supply and Services	2,565,302	4,108,455
Total Expenditure	2,565,302	26,408,455
Fund balance, beginning of year	3,591,545	30,000,000
Fund balance, end of year	\$ 1,026,243	\$ 3,591,545

(See accompanying notes to the financial statements)

Notes to Financial Statements

March 31, 1986

1. Authority

The Special Projects Fund is a special purpose fund established under the provisions of The Special Projects Fund Act which was assented to on June 2, 1983. The fund consists of an initial payment from the Consolidated Fund of the Province as required by the Act and any other amounts appropriated from the Consolidated Fund by the Legislature.

Subject to any terms of conditions set by the Minister to whom the administration of The Special Projects Fund Act is assigned, any member of the Executive Council may construct and equip capital projects. Further, subject to the approval of the Lieutenant Governor-in-Council, the Minister may make grants or provide loans to any person, municipality, institution or other body of persons in Saskatchewan for the purpose of assisting in the construction or equipping of capital projects. Any monies required for these purposes are to be provided out of monies appropriated from the Fund by the Legislature.

2. Basis of Accounting

The accounts are maintained on a modified cash basis for a fiscal year commencing on April 1 and ending on March 31 thereafter. Revenues are recorded as received and expenditures are charged to the accounts when payment is made. In addition, revenues received in April which apply to the preceding fiscal year are reported as revenue of the preceding fiscal year, and payments made during April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

3. Due from Consolidated Fund

This amount represents funds deposited to the credit of the Special Projects Fund in the Consolidated Fund of the Province pursuant to Section 16 of The Department of Finance Act, 1983.

This amount pursuant to Section 6(5) of The Special Projects Fund Act is non-interest bearing.

4. Administrative Services

The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Revenue and Financial Services.

The Workmen's Compensation Board Superannuation Fund

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of The Workmen's Compensation Board Superannuation Fund as at December 31, 1985 and the statements of revenue, expenditure and fund equity, and receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
April 23, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As at December 31, 1985

(with comparative figures for the previous year)

Statement 1

	1985	1984
Assets		
Cash and short-term deposits	\$ 1,108,739	\$ 1,140,765
Investments (Schedules 1 and 2)	6,822,858	5,553,697
Accrued interest on investments	183,678	151,729
Accounts receivable	12,369	2,863
	<u>\$ 8,127,644</u>	<u>\$ 6,849,054</u>
Accounts Payable and Fund Equity		
Accounts payable	\$ 1,800	\$ —
Fund equity (Statement 2) (Note 3)	8,125,844	6,849,054
	<u>\$ 8,127,644</u>	<u>\$ 6,849,054</u>

(See accompanying notes to the financial statements)

Statement of Revenue and Expenditure and Fund Equity

Year Ended December 31, 1985

(with comparative figures for the previous year)

Statement 2

	1985	1984
Revenue:		
Contributions from the Workers' Compensation Board (Injury Fund)	\$ 393,903	\$ 401,236
Contributions by employees and board members	193,258	197,435
Investment earnings, bank interest and sundry income	878,325	714,001
Gain on sale of investments	60,382	33,803
Total Revenue	<u>\$ 1,525,868</u>	<u>\$ 1,346,475</u>
Expenditure:		
Superannuates' allowances	\$ 238,232	\$ 220,953
Refunds to employees leaving service:		
Contributions	8,423	7,269
Accrued interest	2,423	2,675
Total expenditure	<u>\$ 249,078</u>	<u>\$ 230,897</u>
Excess of revenue over expenditure for the year	\$ 1,276,790	\$ 1,115,578
Fund equity, beginning of year	6,849,054	5,733,476
Fund equity, end of year (Statement 1)	<u>\$ 8,125,844</u>	<u>\$ 6,849,054</u>

(See accompanying notes to the financial statements)

The Workmen's Compensation Board Superannuation Fund

Statement of Receipts and Disbursements

Year Ended December 31, 1985

(with comparative figures for the previous year)

Statement 3

	1985	1984
Receipts:		
Contributions from employees and board members	\$ 193,249	\$ 214,864
Contributions from Workers' Compensation Board (Injury Fund)	394,495	434,835
	587,744	649,699
Interest received	756,040	683,652
Long-term investment sales and maturities	907,066	1,324,582
Total Receipts	\$ 2,250,850	\$ 2,657,933
Disbursements:		
Allowances paid to superannuates	\$ 236,432	\$ 220,953
Contributions refunded or transferred to other retirement plans	8,423	7,269
Interest on contributions paid out	2,423	2,675
Long-term investments purchased	2,035,598	1,818,590
Total disbursements	\$ 2,282,876	\$ 2,049,487
Excess of receipts over disbursements (disbursements over receipts)	(32,026)	608,446
Cash and short-term deposits, beginning of year	1,140,765	532,319
Cash and short-term deposits, end of year	\$ 1,108,739	\$ 1,140,765

(See accompanying notes to the financial statements)

Notes to Financial Statements

Year Ended December 31, 1985

1. Significant Accounting Policies

a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting.

b) Investments

Investments are recorded in the accounts at cost. Any purchased discount or premium is amortized over the period remaining to the maturity date of the investment. When investments are sold prior to maturity, however, any differences between the proceeds and the carrying value of the investments, including any unamortized discounts or premiums, is taken into revenue or expenditure in that year.

c) Short-term Deposits

Short-term deposits are recorded at cost which approximates market value.

d) Administrative Costs

The Fund is administered by the Public Employees Benefits Agency. Accordingly no provision for administrative costs has been reflected in these financial statements.

2. Description of the Plan

The Fund was established under The Workmen's Compensation Board Superannuation Act. The plan covers employees and board members who were enrolled at October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October, 1978.

3. Fund Equity

Fund equity represents the accumulated contributions and earnings that, together with future contributions and interest earnings, will provide for payment of superannuation allowances. (Note 5).

4. Fund Contributions

Member contributions are based on a percentage of salary. The Worker's Compensation Board (Injury Fund) provides contributions to the superannuation fund equal to two times the contributions made by employees and board members.

5. Unfunded Liability

The most recent actuarial valuation of The Workmen's Compensation Board Superannuation Fund estimated that the plan had an unfunded actuarial liability of \$817,694 as at December 31, 1985. The Worker's Compensation Board is obligated to fund any deficiency in order to meet the superannuation fund's retirement benefits and refund requirements.

The Workmen's Compensation Board Superannuation Fund

Statement of Investments

Schedule 1

December 31, 1985

(with comparative figures for the previous year)

	1985	1984
Investments:		
Bonds and Debentures:		
Government of Canada	\$ 249,552	\$ 317,794
Province of Saskatchewan	878,043	626,301
Guaranteed by other provinces	742,395	736,343
Municipals	437,203	436,472
Corporates	3,078,479	2,326,210
	<u>\$ 5,385,672</u>	<u>\$ 4,443,120</u>
Mortgages:		
Morguard Trust Company	\$ 519,327	\$ 264,180
Equities	917,859	846,397
Total Investments (Schedule 2)	<u>\$ 6,822,858</u>	<u>\$ 5,553,697</u>
Investments at par value	<u>\$ 7,050,591</u>	<u>\$ 6,758,950</u>
Unamortized discounts	<u>\$ 227,733</u>	<u>\$ 1,205,253</u>

Investments had a quoted market value of \$7,769,018 on December 31, 1985 (1984 — \$5,790,264).

The Workmen's Compensation Board Superannuation Fund

Statement of Investment Transactions

Year Ended December 31, 1985

Schedule 2

Investments, beginning of year	\$	5,553,697
Add:		
Investments purchased:		
Bonds and debentures:		
9 1/4% Canada, December 6, 1987	\$	249,552
13% Saskatchewan, December 1, 2002		250,000
12-1/8% Nova Scotia Power, February 14, 2005		250,312
12% Producers Pipeline, June 30, 1995		500,000
	\$	1,249,864
Equities:		
5,000 Shares, American Hospital Supply	\$	206,815
18,900 Shares, Worldwide Equities		155,074
500 Shares, Imperial Oil Ltd.		27,175
1,500 Shares, Imasco Ltd.		38,235
500 Shares, Inco		8,665
500 Shares, Transalta Utilities		13,415
500 Shares, Alcan Ltd.		18,045
500 Shares, Thomson Newspapers		11,790
1,000 Shares, Hiram Walker		33,580
500 Shares, Trans-Canada Pipelines Ltd.		11,540
	\$	524,334
Mortgages:		
13% L & E Developments Mortgage Administered by Morguard Trust, March 1, 1995	\$	261,399
Amortization of discounts, net of premiums		90,336
Total Additions	\$	2,125,933
Deduct:		
Investments sold:		
Bonds and Debentures:		
Canada Coupons, March 1, 1996	\$	214,321
Canada Coupons, September 1, 1996		203,273
12% Producers Pipeline, June 30, 1995		10,185
	\$	427,779
Equities:		
2,200 Shares, Moore Corp.	\$	55,913
7,500 Shares, Nova Corp.		46,500
5,000 Shares, American Hospital Supply		217,064
18,900 Shares, Worldwide Equities		163,863
	\$	483,340
Investment principal matured	\$	6,035
Gain on sale of investments		(60,382)
Total Deductions	\$	856,772
Investments, end of year (Schedule 1)	\$	6,822,858

The Municipal Employees' Superannuation Fund

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of The Municipal Employees' Superannuation Fund as at December 31, 1984 and the Statement of Changes in Fund Balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies described in Note 2 applied, except for the change in the method of accounting for the liability for future annuities as explained in Note 5 to the financial statements, on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
November 6, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Balance Sheet

As At December 31

Statement 1

	1984	1983
Assets		
Bank	\$	\$ 259,395
Contributions and other accounts receivable	1,167,722	925,210
Investment earnings due and accrued	1,988,086	1,768,397
Investments (Note 3)	119,872,440	98,204,569
	<u>\$ 123,028,248</u>	<u>\$ 101,157,571</u>
Liabilities and Fund Balance		
Liabilities:		
Bank	\$ 936,402	\$
Accounts payable	81,132	165,743
Provision for Future Annuities (Note 5)	10,664,850	.....
Total Liabilities	<u>11,682,384</u>	<u>165,743</u>
Fund Balance:		
Defined Benefit Plan	96,063,995	79,778,790
Money Accumulation Plan	13,415,149	13,376,294
Annuity Underwriting	(1,665,819)	7,652,389
Supplementary Benefits	3,532,539	184,355
Total Fund Balance	<u>111,345,864</u>	<u>100,991,828</u>
	<u>\$ 123,028,248</u>	<u>\$ 101,157,571</u>

(See accompanying notes to the financial statements)

The Municipal Employees' Superannuation Fund

Statement 2

Statement of Changes in Fund Balance

Year Ended December 31, 1984

	Defined Benefit Plan		Money Accumulation Plan		Annuity Underwriting Activity		Supplementary Benefits Activity		Total	
	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
Balance, Beginning of year	\$79,778,790	\$60,867,532	\$13,376,294	\$12,854,414	\$ 7,652,389	\$6,712,849	\$ 184,355	\$376,480	\$100,991,828	\$ 80,811,275
Add:										
Contributions										
— employees	5,529,711	5,255,365	146,222	114,721	.....	.....	.....	.....	5,675,933	5,370,086
— employers	5,529,711	5,255,365	61,360	52,654	.....	.....	.....	.....	5,591,071	5,308,019
Interest on funds transferred in	40,310	21,212	.....	.....	.....	.....	.....	.....	40,310	21,212
Interest earned	10,317,726	9,987,801	1,309,716	1,286,576	938,177	933,107	205,637	36,359	12,771,256	12,243,843
Contributions										
— Rural Pension supplement	29,616	36,503	.....	.....	.....	.....	.....	.....	29,616	36,503
	21,447,074	20,556,246	1,517,298	1,453,951	938,177	933,107	205,637	36,359	24,108,186	22,379,663
Deduct:										
Transfers to other retirement Plans	79,054	91,830	.....	13,633	.....	.....	.....	.....	79,054	105,463
Lump sum payments to estates	30,557	66,527	3,263	12,194	.....	.....	.....	.....	33,820	78,721
Payments in lieu of annuities	64,634	83,090	418	5,906	.....	.....	.....	.....	65,052	88,996
Withdrawals with interest	606,682	614,690	10,744	17,941	.....	.....	.....	.....	617,426	632,631
Allowances	711,717	564,532	.....	.....	1,294,135	1,100,230	277,936	228,537	2,283,788	1,893,299
Actuary fees	10,160	.....	.....	.....	10,664,850	.....	.....	.....	10,160	.....
Changes in actuarial value (Note 5)	1,502,804	1,420,669	14,425	49,674	11,958,985	1,100,230	277,936	228,537	13,754,150	2,799,110
Intra-fund transactions:										
Retirement annuities purchased .....	.....	.....	1,702,600	1,106,663	(1,702,600)	(1,106,663)	.....	.....	.....	.....
Excess employee contributions	238,582	224,319	(238,582)	(224,319)	.....	.....	.....	.....	.....	.....
Employer contributions forfeited .....	.....	.....	.....	53	.....	.....	.....	(53)	.....	.....
	1,741,386	1,644,988	1,478,443	932,071	10,256,385	(6,433)	277,936	228,484	13,754,150	2,799,110
Net Increase (decrease) for the year	19,705,688	18,911,258	38,855	521,880	(9,318,208)	939,540	(72,299)	(192,125)	10,354,036	20,180,553
Balance of Fund before the following	99,484,478	79,778,790	13,415,149	13,376,294	(1,665,819)	7,652,389	112,056	184,355	111,345,864	100,991,828
Funds transferred	(3,420,483)	.....	.....	.....	.....	.....	3,420,483	.....	.....	.....
Balance, end of year	\$96,063,995	\$79,778,790	\$13,415,149	\$13,376,294	\$ (1,665,819)	\$7,652,389	\$3,532,539	\$184,355	\$111,345,864	\$100,991,828

(See accompanying notes to the financial statements)

The Municipal Employees' Superannuation Fund

Notes to Financial Statements

December 31, 1984

1. Description of the Municipal Employees' Superannuation Fund

General

The Municipal Employees' Superannuation Act, Section 11 provides authority for the Municipal Employees' Superannuation Fund. The Act directs that all allowances, payments and refunds under the Act shall be payable out of the fund in the manner provided in the Act together with all benefits granted under a former Act. The Act also directs that all monies in the fund shall be paid to and shall be held in trust by the Minister of Finance who shall invest such monies in securities authorized under The Pension Benefits Act. All other administrative responsibilities reside with the Municipal Employees' Superannuation Commission whose composition and authority to administer the Act are provided in Section 7 of the Act.

Fund Balances

The Municipal Employees' Superannuation Fund is composed of several activities. The purpose and details of the activities are outlined below.

Defined Benefit Plan

The defined benefit plan became effective July 1, 1973. The plan is mandatory for employees with one year of service. Contributions are established at 7% of earnings net of C.P.P. contributions and are matched by the employer.

At age 65 employees are entitled to pension benefits equal to:

- 1.3% of that portion of their average salary for the five highest calendar years, which is not in excess of the average yearly maximum pensionable earnings for the three years immediately prior to retirement; and
- 2% of that portion of their average highest salaries, if any which exceed the average yearly maximum pensionable earnings of the three years immediately prior to retirement;

for each year and fractional year of contributory service in the plan prior to retirement.

Employees who have attained the age of at least 55 years and who are credited with at least 15 years of continuous service may retire and receive early retirement pensions; however, such allowances are subject to reductions of .25% per month for each month that their early retirement dates precede their normal retirement dates.

Upon termination of employment, where age and service totals less than 45 years, the member may withdraw all of his own contributions plus interest; however, in such cases the funds contributed by his employer on his behalf becomes a forfeiture to the fund.

When the terminating employee's age and service totals 45 years or more, he may either withdraw one-half of his own contributions and interest and remain eligible for a reduced allowance at normal retirement age; or, he may simply leave all funds with the plan and receive a "full" non-reduced deferred pension at normal retirement age.

When an employee dies and has less than 15 years of continuous service to his credit, his named beneficiary is entitled to a lump sum refund on the decedent's contributions and interest. In cases where the deceased member did have at least 15 years of continuous service to his credit, his surviving spouse, if any, is entitled to an allowance amounting to 60% of what would be payable if the decedent were alive and eligible for a pension. Additional benefits, not exceeding 25% of the decedent's calculated pension, may be payable where dependent children are also involved.

If a pensioner dies leaving a spouse or dependent, 60% of the pension is paid for life. If there is no spouse or dependent, the balance of member contributions plus interest at retirement, less pension payments, is paid in a lump sum.

Interest is allocated annually on the basis of the plan's portion of the total assets of the Fund.

Any surpluses that arise in the fund as a result of forfeitures of employer contributions on an employee's withdrawal, investment earnings on existing surpluses or in excess of actuarial assumptions, or contributions in excess of that required to meet current fund obligations can be used at the discretion of the Commission to finance other activities.

The Municipal Employees' Superannuation Fund

Notes to Financial Statements — (Continued)

1. Description of the Municipal Employees' Superannuation Fund — (Concluded)

Money Accumulation Plan

The Money Accumulation Plan consists of members who made contributions to the money purchase plan in effect prior to July 1, 1973. Upon retirement members must purchase an annuity from either the fund or a private insurer based on all employee and employer contributions together with interest thereon. In the event of death prior to retirement their beneficiaries have the option of receiving such annuities or receiving a lump sum payment of all employee and employer accounts.

In addition, the accounts, set up to record mandatory contributions made to the fund prior to July 1, 1973, may also contain:

- voluntary employee and/or employer contributions made either before or after July 1, 1973;
- any employer and/or employee contributions made to the plan subsequent to normal retirement age; and
- any excess employee funds transferred from the new plan pursuant to Subsection 20(4) of The Municipal Employees's Superannuation Act.

Interest is credited annually to the individual members account balances in accordance with the provisions of the governing legislation. An interest rate of 10½% was approved by the Commission in 1984 and 1983.

Any forfeitures of the employer contributions, resulting from an employee withdrawing from the plan are removed from the plan and credited to the supplementary benefits activity for use at the discretion of the Commission.

Annuity Underwriting

Members of the Money Accumulation Plan upon retirement must purchase a life annuity through the Commission or through a private insurer.

If the member elects to purchase through the Commission, the individual's account balance is transferred to the annuity underwriting activity and an annuity contract is agreed based on current interest rates and annuity tables.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

The present value of future annuities is reflected as a liability to the fund and a charge against the annuity underwriting activity.

Any surplus resulting in the activity can be utilized at the discretion of the Commission.

Supplementary Benefits

In accordance with the Act, the Commission makes supplementary benefits to superannuates to compensate them for lost purchasing power.

These supplementary benefits can be made by the Commission as long as the solvency of the entire fund is not impaired.

Funding for supplementary benefits results from forfeitures from the Money Purchase Plan and from the Commission transferring surplus amounts from the other activities to equal the actuarial valuation of supplements granted.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

2. Accounting Policies

These financial statements have been prepared in accordance with accounting principles considered appropriate for the pension fund. The more significant accounting policies are as follows:

Accrual Accounting

The financial statements are prepared on the accrual basis. The statements show only the position of the fund as at the year-end and do not purport to show the adequacy of the fund to meet its future obligations except that the fund records a provision for the present value of future annuity payments. The results of the latest actuarial valuation of the fund are described in Note 4.

Investments

Investments consist of short-term and long-term investments, bonds and debentures, corporate shares, mortgages and real estate. The bonds and debentures are recorded at amortized cost and any premiums or discounts associated with their acquisition are amortized on a straight-line basis. When bonds and debentures are sold to permit reinvestment, any gain or loss as a result of the sale and any unamortized premiums or discounts are amortized over the remaining term of the security sold. Corporate shares and mortgages are recorded at cost. Any gains or losses resulting from the sale of shares and mortgages are recognized in the period of the sale.

The Municipal Employees' Superannuation Fund

Notes to Financial Statements — (Continued)

2. Accounting Policies — (Concluded)

Administrative Costs

The costs of administering the Act are borne by the Consolidated Fund of the Province pursuant to Section 10 of The Municipal Employees' Superannuation Act. Accordingly, these costs are not reflected in the financial statements.

The costs of actuarial studies are borne by The Municipal Employees' Superannuation Fund in accordance with provisions contained in Section 12 of the Act.

3. Investments

	1984		1983	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Deposit Certificates				
Short-term	\$ 11,017,793	\$ 11,017,793	\$ 10,516,482	\$ 10,516,482
Long-term	—	—	500,000	505,620
	<u>11,017,793</u>	<u>11,017,793</u>	<u>11,016,482</u>	<u>11,022,102</u>
Bonds and debentures Saskatchewan				
— Province	17,282,000	14,960,360	15,932,000	13,709,882
— Municipal, Schools and Hospitals	1,162,924	1,130,696	1,485,361	1,131,683
	<u>18,444,924</u>	<u>16,091,056</u>	<u>17,417,361</u>	<u>14,841,565</u>
Government of Canada	7,325,000	6,953,406	5,155,000	5,047,525
Other provinces	350,000	354,375	320,000	339,832
Provincial guarantees	16,420,000	14,809,650	12,311,000	10,754,497
Corporate debentures	27,617,460	28,394,381	24,430,931	25,266,748
Total bonds and debentures at par value	<u>70,157,384</u>	<u>.....</u>	<u>59,634,292</u>	<u>.....</u>
Less unamortized discounts, etc. (Note 2)	<u>(3,438,994)</u>	<u>.....</u>	<u>(913,497)</u>	<u>.....</u>
	<u>66,718,390</u>	<u>66,602,868</u>	<u>58,720,795</u>	<u>56,250,167</u>
Long term discount coupons	3,123,710	3,053,850	.....	.....
Corporate shares	22,869,427	22,668,922	15,621,248	15,690,742
	<u>103,729,320</u>	<u>\$ 103,343,433</u>	<u>85,358,525</u>	<u>\$ 82,963,011</u>
Mortgages*	13,155,265	.....	10,707,778	.....
Real Estate*	2,987,855	.....	2,138,266	.....
Investments				
— to Statement 1	<u>\$ 119,872,440</u>	<u>.....</u>	<u>\$ 98,204,569</u>	<u>.....</u>

* Since mortgages and real estate are not publicly traded, their market value has not been determined.

4. Actuarial Report

According to **The Pension Benefits Act**, an actuarial valuation of the assets and liabilities of the fund is required to be made by an Actuary at regular intervals of three years. The most recent valuation was carried out as at December 31, 1983.

The valuation indicates the fund to be fully funded, with a surplus, and the current contribution rate more than sufficient to finance benefits to be earned in the future.

The surplus of the fund as at December 31, 1983 was calculated to be \$9,317,991 determined as follows:

Assets	<u>\$101,157,571</u>
Actuarial Liabilities	
Former Plan funds	\$ 13,356,555
Active Members	57,843,549
Inactive Members	2,488,458
Deferred Pensions	359,290
Pensioners	<u>17,791,728</u>
	<u>\$ 91,839,580</u>
Surplus	<u>\$ 9,317,991</u>

The Municipal Employees' Superannuation Fund

Notes to Financial Statements — (Concluded)

4. Actuarial Report — (Concluded)

The Actuary used the Accrued Benefit Method to determine whether the assets in the fund at valuation date were sufficient to finance the benefits earned in respect of service to the valuation date.

This method examines each benefit that may be payable in the future due to service up to the valuation date multiplying it by its probability of being paid and discounting back to the valuation date using an interest rate.

To determine the contribution rate for the future that will finance future benefits to be earned in the future, the Single Premium, or Unit Credit Cost, Method was used.

The significant actuarial assumptions are as follows:

(a) Life Expectancy

It was assumed that future mortality experience would follow the 1971 Group Annuity Mortality Table.

(b) Rate of Investment Return

A 7% per annum return on investments was assumed.

(c) Salary Increases

Salary increases were assumed to be 6% adjusted to include merit and promotion factors.

(d) Termination

Termination pattern used was as follows:

Age	Male %	Female %
20	16.0	32.0
30	8.8	17.6
40	4.7	9.4
50	2.1	4.2

(e) Retirement

The actuarial valuation assumed that all police and fire employees retire at age 60 and all other members retire at age 64.

(f) Dependents

It was assumed that 100% of males and 80% of females would be married at death and 90% would be married at retirement.

(g) Asset Values

Book value was used as a conservative estimate of market value.

5. Change in Accounting Policy

Effective with 1984, the Commission changed its' policy for accounting for the annuities to reflect the present value of future annuities as a liability of the Fund. This change in accounting policy has been applied prospectively.

As a result of this change a provision for future annuities of \$10,664,850 has been recorded as a liability and a reduction of the fund balance.

6. Contractual Commitments

The fund is committed to advance further mortgage loans and make real estate investments totalling \$1,123,957.50 and \$2,679,886.05 respectively to various institutions according to the terms of the agreements with those institutions entered into prior to December 31, 1984.

These advances are payable only upon the satisfactory progress toward the completion of the projects undertaken.

7. Comparative Figures

As a result of a change in presentation, the activities of the Commission have been presented on a segmented basis for 1984.

The 1983 comparative figures have been restated to conform to the current year's presentation.

8. Subsequent Events

Subsequent to the year end, an investment has permanently deteriorated in value by approximately 79.25%, thereby reducing the value of the investment from \$500,000 to \$103,750. This loss of \$396,250 will be accounted in the year the economic events occurred.





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